



# ***Daily Report***

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## **China**

FBIS-CHI-90-116  
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15 June 1990

# Daily Report

## China

FBIS-CHI-90-116

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15 June 1990

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### USSR, East Europe Trade Grows 'Steadily'

OW1406142690 Beijing XINHUA in English  
1344 GMT 14 Jun 90

[Text] Harbin, June 14 (XINHUA)—Trade between China and Eastern Europe has developed steadily in recent years, said Ye Lingyun, deputy director of the Import and Export Department of the Ministry of Foreign Economic Relations and Trade.

Ye, speaking at the Sino-Soviet and Eastern Europe trade fair currently under way in Harbin, said that last year, the total trade volume between China and the Soviet Union and the East European countries accounted for eight percent of China's total foreign trade volume.

The Soviet Union has become China's fifth largest trade partner.

He said the trade fair is a great event in the history of economic and trade relations between China and the Soviet Union and Eastern Europe.

Since the fair opened on June 6, the total value of contracts and agreements signed exceeds one billion Swiss francs.

China's exports to the Soviet Union and Eastern Europe are mainly agricultural products, light industrial goods, and machinery and electronic products. Rolled steel, cement and machinery make up the bulk of imports from these countries.

### Foreign Experts Honored in Ningxia

OW1406214990 Beijing XINHUA in English  
1433 GMT 14 Jun 90

[Text] Yinchuan, June 14 (XINHUA)—Eight foreign experts, who have made outstanding contributions while working in the Ningxia Hui Autonomous Region, were awarded the honorary title "outstanding worker" by the regional people's government here today [14 June].

One of the experts given the honor is an American manager of a field seismic team from a geophysics service company.

Certificates of merit were also awarded to foreign experts who have work in Ningxia for more than eight years.

Since the early 1980s, several hundred foreign experts from Japan, the United States, Britain, the Federal Republic of Germany, Canada, New Zealand, Singapore, Australia, Austria, Yugoslavia and Czechoslovakia have worked on a number of projects in the autonomous region.

53 foreign experts from a dozen countries are working in colleges, factories, oilfields, and research institutions in the region.

### World Bank Finances Hebei Agricultural Project

OW1506105090 Beijing XINHUA in English  
0607 GMT 15 Jun 90

[Text] Washington, June 14 (XINHUA)—The World Bank announced today [15 June] that it has approved a credit of 150 million dollars to support an agricultural project in China's Hebei Province.

The project is designed to increase agricultural production and job opportunities in the province.

This is the second interest-free credit the World Bank provided for China in two weeks. Late last month, the bank approved a credit of 300 million dollars for China's tree-planting program.

Today's approval brought the total of credit approved for China this year to 590 million dollars.

### 'Exuberance' of Diplomatic Activities Viewed

HK1406131890 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No. 22, 28 May 90 p 1

["Letter from Beijing" by Bao Xin (7637 0207): "Beijing: Frequent Diplomatic Activities"]

[Text] Dear brother,

With the dawning of spring, China's diplomatic activities and international exchanges have displayed a scene of exuberance. In less than two months from April to mid-May, many heads of state and government premiers from Equatorial Guinea, Central African Republic, Fiji, Barbados, Mongolia, the United Arab Emirates, and Egypt visited China. These important state visits and formal friendly visits have promoted the friendly understanding and cooperative relationships between China and these countries.

During this period, Chinese leaders went on frequent state visits, too. In March, General Secretary Jiang Zemin visited North Korea. This was the first time that he had stepped out of the country after taking up the important post of the general secretary of the party. In the latter part of April, Premier Li Peng paid a return visit to the Soviet Union, which is the first time a Chinese premier has been to Moscow in 26 years. In May, National People's Congress Standing Committee Chairman Wan Li visited Pakistan, Iran, and Iraq. Immediately following his return, President Yang Shangkun went on a trip to Latin America to visit Mexico, Brazil, Uruguay, Argentina and Chile. This is the first time that a president of China has been to such a remote continent. These visits by the Chinese leaders, like the ones paid by some leaders of the other countries to China, have important significance to the friendship and development of all parties.

People notice that the high-level delegations visiting China in the past few months were mostly from developing countries. This is a very natural thing. China and these countries belong to the Third World, experiencing

the same fate, encountering almost the same problems, and embracing identical views on a wide range of world affairs. An old Chinese saying goes: "Like attracts like." It is perfectly fair and reasonable that Third World countries support one another, unite themselves together, and look to one another for help.

Although there are no visits by high-ranking government officials between China and some Western developed countries, with the coming of spring there have been quite frequent visits to China from personalities of various circles and delegations. This has also shown an ever-increasing trend. They have come to China to make investments, set up factories, investigate business opportunities, study exchange programs, and conduct sports and arts activities. Quite a few of them were scholars, experts, entrepreneurs, and even political figures from the United States. A U.S. news agency report pointed out that there has been an upsurge of civilian contacts, despite heated arguments between the Chinese and U.S. governments.

Within this period of less than two months, Beijing played host to a series of international conferences. The World Legal Conference held its 14th meeting here toward the latter part of April, at which more than 1,300 delegates from over 60 countries and regions gathered together to study the important theme of "law for world peace and development." At the same time, the Asia-Pacific regional conference of the United Nations Food and Agriculture Organization was also convened in Beijing in the quest for the road to agricultural development. In mid-May, the World Mining Conference was held in Beijing, a grand gathering of the largest scale. Delegates of some other economic, scientific, and technological international conferences also came to the Chinese capital in succession and they had warm and friendly reception.

The Chinese tourist industry also took a turn for the better, with the number of overseas tourists markedly rising. According to statistics, the number of sightseers accepted by Beijing in April this year not only surpassed that of the previous year but also that of the previous three years. In some other cities, there are also favorable signs of such an upturn.

Under such conditions of active diplomacy and frequent contacts, how will the parliamentarians and those in power in some Western countries, who are still trying to use sanctions or other measures to suppress China, face this situation? Will they still be able to dream about isolating and blockading China?

China adopts an independent foreign policy of peace. China earnestly hopes for a long-term peaceful environment for the construction of its own country, expects contacts and exchanges with all nations to establish good relations, respects the choices of the people of other countries with respect to domestic affairs, advocates noninterference in domestic affairs of other countries, and opposes hegemonism.

China repeatedly asserts that the reform and open policy will persist for a long time to come. The door that has been opened will not be closed but will be opened even wider. In this respect, many measures have been taken, as can be seen by international society.

The visits by the heads of state of numerous Third World countries indicate that the developing countries understand China's reform and open policy, and welcome China to continuously play an important role in international affairs. Farsighted people in the West also approve of China's continued opening up to the international community, and disapprove of the shortsightedness and the futile efforts of certain people in their governments. China, which is like a giant towering in the East over the world, has an immense market and plentiful resources. All efforts to impose sanctions and exclude it from the rest of the world would be in vain. It would be wiser and more sensible to look into the future and break the deadlock. True, China cannot do without the world, neither can the world do without China.

More and more delegations, people from various circles, and tourist groups will be coming steadily to China. The 11th Asian Games will open in Beijing in 100 days. Beijing is intensifying its preparations for receiving guests. Not only Asian athletes but also visitors from all parts of the world will witness a stable and prosperous China.

Yours sincerely,

[Signed] Bao Xin

[Dated] May 20, 1996

## Soviet Union

### Liu Huaqing Concludes Visit to USSR

OW1406150990 Beijing XINHUA in English  
1419 GMT 14 Jun 90

[Text] Moscow, June 14 (XINHUA)—Chinese military leader Liu Huaqing ended his May 31-June 14 official visit to the Soviet Union today [14 June].

During his visit, Liu Huaqing, vice chairman of the Central Military Commission of China, held talks with Soviet Deputy Prime Minister Igor Belousov on issues of common interests. Both were satisfied with the results of their friendly and constructive talks.

Liu, on behalf of the Chinese Government, invited Belousov to visit China. Belousov happily accepted the invitation.

Liu met and had a friendly conversation with Soviet Prime Minister Nikolay Ryzhkov Wednesday. He also met separately with Politburo member of the Soviet Communist Party and First Deputy Chairman of the Soviet Defense Council, Lev Zaykov, and Defence Minister Dmitriy Yazov.

### Returns to Beijing

OW1506084090 Beijing XINHUA in English  
0816 GMT 15 Jun 90

[Text] Beijing, June 15 (XINHUA)—General Liu Huaqing, vice-chairman of the Central Military Commission of the People's Republic of China, flew back to Beijing today [15 June] after his official visit to the Soviet Union.

Major General Shen Rongjun, vice-minister of the Commission of Science, Technology and Industry for National Defence, Lin Zongtang, minister of Aero-Space Industry, and Li Lanqing, vice-minister of Foreign Economic Relations and Trade, were also back with Liu.

Greeting General Liu Huaqing at the airport were: General Yang Baibing, secretary general of the Central Military Commission, Song Jian, state councilor and Minister in charge of the State Science and Technology Commission, General Chi Haotian, chief of General Staff of the Chinese People's Liberation Army, Lieutenant General Xing Yongning, political commissar of the Commission of Science, Technology and Industry for National Defence, Tian Zengpai, vice-minister of Foreign Affairs, Wang Liheng, vice-minister of Aero-Space Industry, Wang Wendong, assistant minister of Foreign Economic Relations and Trade, and Lieutenant General Liu Kai, director of General Office of the Central Military commission.

Soviet Ambassador to China O.A. Troyanovskiy and Major General N.S. Proskurnin, military, naval and air force attache, also greeted General Liu Huaqing at the airport.

### Qiao Shi Meets With CPSU Party Workers

OW1506084390 Beijing Domestic Service in Mandarin  
2130 GMT 14 Jun 90

[From the "News and Press Review" program]

[Text] Qiao Shi, Standing Committee member of the Political Bureau of the CPC Central Committee, met with a delegation of CPSU party workers led by Parvlov, head of the State Legal Department of the CPSU Central Committee, at the Great Hall of the People yesterday afternoon [14 June].

On behalf of the CPC Central Committee, Qiao Shi extended a warm welcome to the CPSU delegation, which is visiting China on a study tour of various places in the country and for exchanging experience with them.

Qiao Shi said: China has closely watched the progress of reform in the Soviet Union. We sincerely hope that the Soviet Union will continue its political and economic reforms along the socialist road.

Parvlov expressed the desire for strengthening friendly relations between the two parties and the two peoples.

He said: Political and economic cooperation between the two countries has a very good basis and prospects for development are bright.

Zhu Liang, head of the International Liaison Department of the CPC Central Committee, was present at the meeting.

### Li Ruihuan Meets Moscow Culture Group

HK1506055390 Beijing RENMIN RIBAO in Chinese  
5 Jun 90 p 1

[XINHUA report: "Li Ruihuan Meets Soviet Delegation From Culture Foundation of Moscow"]

[Text] Beijing, 4 June (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, met a delegation from the Moscow Culture Foundation this afternoon at the Great Hall of the People. The delegation was led by foundation President U.K. Korolev.

During the friendly conversation, at the request of the visitors, Li Ruihuan explained how China is protecting its cultural relics and strengthening ideological education.

He said: We are proud that China is a country with a relatively rich treasure of cultural relics. It is our historical responsibility to protect and use these cultural relics well.

He said: To achieve this, apart from organizational measures, also requires techniques for protecting the cultural relics. China hopes to exchange experience with the Soviet Union in this regard.

Li Ruihuan said: In conducting education among the young people, historically, we have rich successful experience and also many failing [shi bai 1136 2408] lessons.

He said: It is our current important task to decide how to combine the advocated moral standards and belief and the existing economic policy.

He said: Practice has proved that it is incorrect to substitute the advocated moral standards and belief for the existing economic policy or vice versa, and it is also wrong to make them repel each other. We should strive to effect a concrete and historical unification of moral standards and reform. Citing an example, he said: We cannot substitute the advocated "spirit of utter devotion" for the "principle of distribution according to work," nor can we oppose the former with the latter.

Korolev briefed Li Ruihuan on the foundation's activities, saying that the foundation is willing to contribute to restoring and expanding Soviet-Chinese friendship and cooperation.

The Soviet visitors came to visit China at the invitation of the China Association for International Friendly Contacts. Association Vice Chairmen Jin Li and Yue Feng were present at the meeting.

**West Europe****'Heated Debate' in UK on Nationality Bill Noted***OW1406150190 Beijing XINHUA in English  
1423 GMT 14 Jun 90*

[Text] London, June 14 (XINHUA)—The British Government was criticized by members of parliament from both the ruling Conservatives and the opposition Labour Party as its controversial British Nationality (Hong Kong) Bill passed a third reading in the House of Commons late last night [13 June].

According to British parliamentary procedures, the bill will go to the House of Lords for further debate.

Under the government bill, 50,000 Hong Kong household heads will be granted British passports under a points system, with points awarded according to background and position held.

As a concession to critics, the Conservative government has proposed that the governor of Hong Kong will be required to make an annual report on how the system is working.

It is estimated that around 225,000 Hong Kong residents will be given the right to acquire British residency as a result.

China has strongly criticized the British move, which was first announced in December, and accused the British Government of violating the 1984 Sino-British Joint Declaration on Hong Kong, under which China will resume its exercise of sovereignty over Hong Kong in 1997.

During a heated debate in the House of Commons, former Tory Party Chairman Norman Tebbit said the government bill was in breach of the Hong Kong agreement reached between Britain and China. "The Chinese Government is one that stuck to its word and I regret that the British Government is in breach of an accord solemnly entered into," he added.

Moreover, Peter Lloyd, a Home Office under secretary, asserted that the government was certain that the bill was not in breach of the agreement and accord between the two countries.

Robert Adley, chairman of the British-Chinese Parliamentary Group, pointed out: "That this bill was produced without any consultation between the British and Chinese Governments, or without the Chinese even being informed of the government's intentions was not the best way to ensure the maintenance of a stable relationship."

Alistair Darling, a Labour spokesman on home affairs, also opposed the government bill by saying that Labour believed the government proposed points system would cover only a narrow section of the population.

**Belgian Businessmen Praise Open-Door Policy***OW1406110690 Beijing XINHUA in English  
0101 GMT 14 Jun 90*

[Text] Antwerp, June 13 (XINHUA)—Belgian businessmen praised China's reform and open-door policy and expressed their determination to promote economic and trade relations with China.

"10 years ago China decided a policy of reform combined with an open-door policy. The implementation of these policies has been most successful and year after year we have seen substantial increases of the country's foreign trade," said D.J. Baeck, co-chairman Belgian-Chinese Economic and Commercial Council (BCECC) in his speech at a reception for the opening of the Shanghai Exports Week, held by the Shanghai delegation of the exhibition here Wednesday evening [13 June].

He said: "Chinese economy is on the move, like a locomotive which is not going to stop. Those, who know about China's economy from statistics will have noticed the remarkable growth."

He also noted: "The policy of the last 10 years has changed and upgraded the daily way of living of the Chinese population."

In name of the Antwerp Chamber of Commerce and Industry, he also expressed his determination to assist China in promoting their export sales in Europe.

Henri Lederhandler, BCECC co-chairman "the authorities concerned lift the economic sanctions against China. [sentence as received] No matter what happens, we persist in promoting economic and trade relations with China."

Present at the reception were over 100 foreign clients from nearly 20 countries and regions. Mayor of Antwerp Cools, Charge d'Affairs of Chinese Embassy to Belgium Wu Jianmin and representative of the governor of Antwerp attended the reception.

Shanghai Exports Week, the first of its kind in Antwerp, opened today with more than 2000 products on display.

On display was a variety of subjects ranging from metals and minerals, textiles, light industrial products to arts and crafts, from the major Shanghai import and export corporations.



**Sino-British Spinning Venture Begins Production**

*OW1506102990 Beijing XINHUA in English  
0710 GMT 15 Jun 90*

[Text] Tianjin, June 15 (XINHUA)—The Jinying Spinning Co. Ltd, a Sino-British joint venture using top-class machinery and management went into operation here Thursday [14 June].

The company was set up jointly by China's Tianjin No. 7 textile mill and the Tianjin municipal textiles import and export complex and a Hong Kong branch of the British Tootal Company. It has an annual production capacity of 24 million tons of yarn, mainly high-grade polyester.

The total investment in the new company was 22.28 million U.S. dollars. All the raw materials for the company are imported and all its products are for export.

Work on construction of the enterprise started in December 1988.

**Latin America & Caribbean**

**Liao Hansheng Meets Uruguayan Visitors**

*OW1506084690 Beijing XINHUA in English  
0554 GMT 15 Jun 90*

[Text] Beijing, June 15 (XINHUA)—Vice-Chairman of the Standing Committee of the National People's Congress [NPC] Liao Hansheng met a delegation from the Uruguay China Cultural Institute here today [15 June].

The Uruguayan delegation, led by the institute's President Celestino Pereira, came to visit China at the invitation of the Chinese People's Association for Friendship With Foreign Countries.

**Political & Social****Jiang Zemin Addresses United Front Forum**

*OW1406125890 Beijing Television Service in Mandarin  
1000 GMT 14 Jun 90*

[From the "National News Hookup" program]

[Text] [Video opens with a long shot of a large conference hall with about 200 people seated at rows of tables surrounding a large oval table in the center of the hall; then camera cuts to show closeup of Jiang Zemin, seated at the end of the oval table facing the audience and flanked by Qiao Shi on his left and Ding Guangen on his right.] A national forum on united front work was held at Huarentang Hall in Zhongnanhai this afternoon [14 June]. Central leading comrades Jiang Zemin, Qiao Shi, Song Ping, Ding Guangen, Xi Zhongxun, Wang Renzhong, and Yang Jingren joined representatives from various localities in discussing ways and means for further stepping up united front work under the new situation.

Qiao Shi chaired the forum. [Camera focuses on Qiao Shi, dressed in a beige western suit and smiling; he reads from a script placed on the table.]

Sun Qi, deputy secretary of the Liaoning Provincial party committee; Feng Yuanwei, deputy secretary of the Sichuan Provincial party committee; Deng Hongxun, deputy secretary of the Jiangsu Provincial party committee; Li Wenshan, deputy secretary of the Hebei Provincial party committee; Lu Kejian, deputy secretary of the Gansu Provincial party committee; and Zhao Fulin, deputy secretary of the Hubei Provincial party committee, spoke at the forum. [As the announcer reads these names, each of them is seen in a closeup shot, speaking from a prepared script.]

After listening to their speeches, General Secretary Jiang Zemin spoke. [Video shows a closeup of Jiang, dressed in a light beige western suit and speaking, occasionally reading from the prepared script placed on the table.]

He said: United front is a strategic issue concerning the whole situation, and it is one of the fundamental issues or basic experiences in the Chinese revolution and construction. Generally speaking, the united front work is targeted at representatives from various circles, each of whom maintains contacts with a different segment, stratum, or class of the population. To do a good work for such representatives is of particular importance for uniting the people of all nationalities and of various social strata in the country to march together with our party in making a concerted effort to safeguard stability and unity. It is also important for opposing subversion, infiltration, and the peaceful evolution strategy of hostile forces at home and abroad; for opposing their attempt to divide the nation and undermine the modernization drive; and for promoting the great undertaking of motherland reunification.

Jiang Zemin said: United front work has a strong policy and theoretical orientation. Whether a leading cadre has the united front ideal and ability to do a good job in the work is an important criterion for evaluating his policy and theoretical awareness. United front work is by no means the work of the united front work department alone. Members of the party committee in general, especially the first and second in command, should attach importance to united front work. It is necessary to include united front work in the agenda of the party committee. It is also necessary to enhance the understanding of the whole party, especially of leading cadres at all levels, on the important, essential, and protracted nature of the united front in the new era. This should be the prerequisite for doing a good job of united front work.

Jiang Zemin pointed out: The central authorities' principles, tasks, and basic policies regarding the united front work are clear. What is important now is to carry out these principles, tasks, and basic policies in a down-to-earth manner.

In this regard, Jiang Zemin stressed the following three points: First, in developing the patriotic united front, it is necessary to focus on broadening and strengthening unity. We must hold high the banners of patriotism and socialism and unite all those who can be united. Second, we must pay close attention to recommend noncommunist party personages to essential posts in government and judicial organs. There should be a suitable percentage or certain quota of noncommunist party personages in the personnel assignments in people's congresses and Chinese People's Political Consultative Conferences. Third, we should help the democratic parties improve themselves.

On forming the contingent of united front workers, Jiang Zemin said: We should maintain a relative stability in the rank and file of united front work cadres, appoint competent leading cadres to united front work departments at various levels, strive to train a group of experts well versed in history and historical figures and in the party's united front theory and policies, and ensure a good job in the formation of the contingent of united front cadres. [As the announcer reads Jiang's speech, camera pans the audience and at times focuses on Jiang.]

Song Ping and Xi Zhongxun also spoke at the forum.

Addressing the National Forum on the United Front Work this afternoon, Jiang Zemin, general secretary of the CPC Central Committee, further elaborated on the CPC Central Committee's policy toward the vast number of Chinese students and intellectual abroad. Jiang Zemin said: [begin recording] We have all along believed that the vast number of Chinese students and intellectuals are patriotic and cherish deep feelings for the motherland. Many of them contributed to the construction and progress of the motherland in the past and, we believe, they will continue to do so in the future. Not long ago, Premier Li Peng told a Japanese friend, Mr.

Kisaburo Ikeura, that after the disturbance broke out in Beijing at the turn of spring and summer last year, some people, because of inadequate knowledge of the true situation at home, misunderstanding, or other reasons said and did something excessive. We will still adopt a policy of caring for and uniting with people and forget their misdeeds. We welcome all those who want to return home and will make proper arrangements for them with regard to work, study, and livelihood without any discrimination. As for those who want to return for visits, holidays, and to work for short periods, we welcome them all the same and guarantee that they are free to come and go. Today I would like to say that even those people who joined reactionary organizations are welcome to return to China, provided they repent, leave the reactionary organizations, and refrain from engaging in activities opposing and subverting the PRC. [end recording]

[Video shows Jiang Zemin addressing the forum, reading from a script]

#### Stresses Importance of Work

OW1406145090 Beijing XINHUA in English  
1350 GMT 14 Jun 90

[Text] Beijing, June 14 (XINHUA)—Party chief Jiang Zemin said here today that the whole party, leading officials at various levels in particular, should increase their awareness of the importance of united front work.

This is a prerequisite for doing the work well, he said.

Jiang made the remarks during a discussion with some of the representatives attending a national united front work meeting which opened here on June 11.

The party chief said united front work is of strategic importance, and that all members of the party committees should pay attention to it.

He said that for the time being it is of key importance that the party's principle and basic policies for united front work be carried out in a down-to-earth way.

Jiang said developing the patriotic united front means to expand it and strengthen its unity. Any class, social stratum, party, group or individual will be united with, if it works for national unity, social progress and the people's happiness, and fights against infiltration, subversion and the peaceful evolution being attempted by domestic and foreign hostile forces.

He said the work to promote non-communists to leading posts in the government and judicial organs should be handled better. Non-communists should take a certain proportion of the posts in the People's Congress and the Chinese People's Political Consultative Conference, he said.

The general secretary said work should be done to help non-communist parties strengthen themselves.

After the national united front work meeting, Jiang said it is necessary to carry out education on the theory and policies of united front work within the party.

Propaganda and organization departments and party schools should pay attention to publicizing united front work policies, he said.

Jiang also urged newspapers, and radio and television stations to support the work.

He said courses on policies concerning united front work should be added by party schools to train party officials.

#### Views United Front Policy

HK1206134590 Hong Kong MING PAO in Chinese  
12 Jun 90 p 52

[Report from Beijing by Lu Niu (7627 3662): "Jiang Zemin Airls His Views on United Front Work for the First Time Since Taking Office as General Secretary"]

[Text] The national united front work conference held by the CPC central leadership was opened on the morning of 11 June in the Great Hall of the People in Beijing. This is another important meeting held by the CPC following the national organizational work conference and the national propaganda work conference. Jiang Zemin, General Secretary of the CPC Central Committee, reiterated the principle of "three don'ts," namely, "don't pick on others for their faults, don't put labels on people, and don't use a big stick." He also stressed that the united front work should be carried out extensively and should not be limited to a small circle.

The united front work of the CPC is divided into two major parts, namely, that inside the mainland and that directed at people outside the mainland. The united front work department of the party plays an important role in the formulation of the policy toward the democratic parties, the nationality policy, the religion policy, and the policy toward intellectuals outside the party as well as in the handling of affairs related to Hong Kong, Macao, Taiwan, including their economic cooperation with the mainland. When the top leadership of the party is to make policy decisions on the above-mentioned issues, the United Front work department will provide relevant information, draw up schemes, and submit concrete opinions and advice.

At present, the United Front work department of the party is dealing with an unprecedentedly large scope of people and organizations. There are now 2,931 committees of the Chinese People's Political Consultative Conference [CPPCC] at various localities and at all levels in mainland China, with a total membership of 410,000 people. The members of various democratic parties totally number 337,000 people. Now, 540 members of various democratic parties and people without party affiliation are deputies to the Seventh National People's Congress, and 701 members of various democratic parties and people without party affiliation are members of the Seventh National Committee of the CPPCC. In the

past 10 years, nationality autonomy has been exercised in 159 localities at various levels, and they account for 64 percent of the country's total land territory. Meanwhile, nearly 50,000 places for religious activities have been reopened, and nearly 9,000 representatives of the religious circles have participated in the activities of the people's congresses and the CPPCC committees at all levels and in various localities.

After the political storm in the turn of spring and summer last year, the CPC's united front work encountered some problems. The directorship of the united front work department of the CPC Central Committee was left vacant for nearly one year, and this was rarely seen in the history of the CPC. As a ruling party with several ten million members, it should not have been hard to select and appoint a cadre as director of the united front work department. However, the CPC always made this appointment with great care, and the qualification requirements for the appointee were very high. If a cadre without sufficient knowledge and experience was appointed to this post, he might have caused losses to the united front work or produced some unfavorable effect. The existing leading body of the central united front work department can still maintain the normal routine operation of this institution. However, if the directorship of this department remains vacant for a long time, the authoritative role of the central united front work department may be weakened in its cooperation with other central departments.

After last year's political storm, some people doubted about the importance of the united front work, and some people were puzzled how the united front work should be carried out. The current national work conference will clarify these questions and lay down the policy for the united front work in the future. Reportedly, the party top leadership fixed the basic theme of "unity and morale enhancement" for the current meeting. The meeting participants will discuss Jiang Zemin's lengthy speech at the opening ceremony and the central circular on strengthening the united front work.

Jiang Zemin's speech marked his first systematic exposition of his opinion on the united front issue after he took office as the party's general secretary. He reminded the whole party that the united front work still holds a crucial strategic position, so the whole party must be deeply and fully aware of its importance, necessity, and long existence. He said that the united front should be expanded to a larger scope and should not be limited to a small circle. That is, the united front work should be aimed at expansion and unity. In the overseas united front work, it is necessary to seek the common point on loving the motherland and promoting the country's reunification, while the differences in social systems, ideology, and life style should be tolerated.

It is necessary to encourage members of the democratic parties and people without party affiliation to dare to insist on correct opinions and act as the CPC's close friends being willing to give forthright admonition. Party

cadres should make close friends with these people, more frequently call on them and come into contact with them, and exchange opinions sincerely and frankly with them. The democratic parties should be encouraged to put forth, analyze, and resolve questions on their own. It is necessary to pursue the principle of "three don'ts," namely, don't pick on others for their faults, don't put labels on people, and don't use a big stick. These points are all of guiding significance at present.

Democratic personages in Beijing paid attention to this united front work conference. They held that Jiang Zemin is a senior official of the CPC who is willing to listen to the opinions of the people in various circles. A democratic personage said that in recent years, the CPC repeatedly said that when major policy decision is made, the leaders must fully listen to the opinions of people in various circles. During the political storm last year, Jiang Zemin, who was then secretary of the Shanghai municipal party committee, held forums separately with more than 40 intellectuals on 16 May and with more than 80 people from various social circles on 22 May to listen to their opinions on maintaining Shanghai's stability and unity. This was rarely seen in other provinces and municipalities. Since 1978, the CPC has held more than 40 meetings with the democratic parties to discuss the state's major policies.

#### Students Abroad Connected With Turmoil Pardoned

OW1406134690 Beijing XINHUA in English  
1332 GMT 14 Jun 90

[Text] Beijing, June 14 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin said today that China will not investigate or hold responsible Chinese students studying abroad who made rash statements or engaged in rash activities connected with the turmoil in Beijing during the spring-summer period a year ago.

The government welcomes those who are willing to return to China and will make appropriate work, study and living arrangements for them, Jiang said at a national meeting on united front work held in Beijing today.

"We will continue to care for and unite with them," he said, adding "we will not discriminate against them."

Students who wish to return to visit friends and relatives, travel or work for a short time are also welcome, Jiang said. They will be allowed to go abroad again if they wish, he noted.

As for those joined reactionary organizations, China welcomes them to return as well, so long as they show repentance, break away from those organizations and end activities designed to oppose and subvert the People's Republic of China, Jiang said.

The majority of Chinese intellectuals and students studying abroad are patriotic and cherish deep feelings for their motherland, and many of them have already



made contributions to China's construction and will continue to do so in the future, Jiang added.

### **Li Ruihuan Said Criticized by Song Ping**

HK1506015890 Hong Kong SOUTH CHINA MORNING POST in English 15 Jun 90 p 12

[By Willy Wo-lap Lam]

[Text] Li Ruihuan, a leader of the moderate wing of the Chinese Communist Party, has been subjected to criticism by his more conservative colleagues.

Chinese sources said in a close-door session last month, Mr Li, the member of the Politburo Standing Committee in charge of ideology and propaganda, was criticised by the veteran cadre, Mr Song Ping, for expressing views which were considered "too bold".

Mr Song, a member of the Politburo Standing Committee in charge of personnel and organisation, also noted that Mr Li's views might lead people in China and abroad to construe that there was a division in the Chinese leadership.

According to the sources, Mr Song told Mr Li he was conveying to him the views of the other members of the Politburo and party elders.

The sources said, however, that Mr Li, who is also a member of the Central Committee Secretariat, stood by his positions, noting that they had not departed from the official line of the party or the Four Cardinal Principles of Marxism and party leadership.

Chinese analysts say the apparently heated exchange between Mr Li and Mr Song represented the most serious split in the leadership since the June 4 Tiananmen Square crackdown last year.

In a series of speeches to media workers in Beijing and cadres in Guangdong province, Mr Li had attacked the dogmatic philosophies and working style of the hard-line ideologues.

For example, Mr Li, the former mayor of the open city of Tianjin, criticised Maoist commissars for "substituting existing economic policy" with a set of moral standards that stress unreserved self-abnegation and devotion to the party.

In his famous talk to the editors of PEOPLE'S DAILY in late April, Mr Li accused the ideologues of "veering left and right and going to extremes".

He also lambasted the originators of the Campaign to Learn From Lei Feng—the "proletariat paragon" lionised by Chairman Mao Zedong—of "departing from actual situations".

Dwelling on the fact that the ideologues like to write dull commentaries, Mr Li noted that indoctrination would only be effective "if people are willing to listen to it".

According to Chinese sources, Mr Song's critique of Mr Li was backed by such other members of the Politburo as the Prime Minister, Mr Li Peng, and the Vice-Premier in charge of the economy, Mr Yao Yilin.

Mr Song, Mr Li Peng and Mr Yao are proteges of the patriarch, Mr Chen Yun, considered by Western diplomats as the "godfather" of the conservatives.

In addition, Mr Li Ruihuan has incurred the ire of senior officials in the ideology and propaganda establishment, including the former head of propaganda, Mr Deng Lihou, the present propaganda chief, Mr Wang Renzhi, and Mr Gao Di and Mr Shao Huaze, respectively the director and chief editor of PEOPLE'S DAILY.

Chinese sources said after Mr Li's talk to the newspaper, Mr Gao filed a long complaint against him to party elders as well as his supporters in the Politburo.

At the same time, Mr Li is heading towards what some analysts call a "collision course" against Mr Yang Baibing, the head of the General Political Department (GPD) of the army and a member of the Central Committee Secretariat.

A brother of the President, Mr Yang Shangkun, Mr Yang has since the Tiananmen Square crackdown tried to extend his influence beyond the army into civilian affairs.

Mr Yang is the master-mind behind both the Lei Feng Campaign and the Movement to Learn from the People's Liberation Army.

Taking advantage of the imposition of martial law in Beijing from May to January, Mr Yang has positioned his trusted aides into the capital's major propaganda and media units.

For example, Mr Shao Huaze, a former Director of the Propaganda Department of the GPD, as well as several senior staffers of PEOPLE'S DAILY, are considered proteges of Mr Yang.

### **Officials Loyal to Marxism Need To Be Trained**

OW1406125690 Beijing XINHUA in English  
1220 GMT 14 Jun 90

[Text] Beijing, June 14 (XINHUA)—Lu Feng, head of the Organization Department of the Central Committee of the Communist Party of China, stressed today that the most important task of the party schools of various levels is to train more party officials who are loyal to Marxism.

He told a conference of presidents of party schools from all over China that now the country has more than 2,700 party schools above county level. It is of strategic importance to turn these party schools into fronts for popularizing, studying and defending Marxism.

He pointed out that only party officials who have a thorough grasp of Marxism are qualified to lead the Chinese people in building socialism with Chinese characteristics.

Lu said that, having chosen the correct road, the quality of officials becomes a decisive factor. Now the country has about 32 million cadres of various levels. Compared with 10 years ago, these cadres are much younger and better educated. However, he pointed out, many party officials lack systematic and strict training and education in Marxism-Leninism and Mao Zedong Thought. So the training of party officials has become an urgent task that can not be neglected.

Lu said that nowadays officials at the province and ministry levels are about 55 years old on average, and 50 years old at city and prefecture levels. So a contingent of party officials between 30 and 40 years old will be promoted to those posts after another 10 years.

Now the country has about 86,000 reserve officials who will be promoted to posts above prefecture and county levels, he voted. Those future officials should undergo systematic training in Marxism. All training work should be done within five years, he stressed.

Lu pointed out that party officials studying in the party schools should not only have a basic knowledge of Marxism-Leninism and Mao Zedong Thought, a more important task for them is to master a correct stand and world outlook, increase their ability to distinguish right from wrong and the ability to deal with practical matters.

Lu said the teaching in the party schools should combine theory with practice and use real problems as illustrations.

He also pointed out that the organization departments of party committees should test party officials with the co-operation of party schools and put forward their comments to party committees. This is the way to guarantee that power at all levels is in the hands of those who are loyal to Marxism.

### Qiao Shi Meets Leading Complaint Officials

OW1306210790 Beijing XINHUA in English  
1524 GMT 13 Jun 90

[Text] Beijing, June 13 (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China, met here today with officials attending a national meeting on the treatment of people's complaints.

The leading officials of complaint departments in various provinces, autonomous regions and municipalities are attending the meeting.

Qiao Shi said dealing with people's complaints is one of the important ways for the party and government to align themselves with the broad masses. Complaint

departments are an important aid to the party and government in linking with the broad masses, he said.

Wen Jiabao, an alternate member of the secretariat of the party Central Committee, urged the officials to a better job in handling complaints.

### Mao's Secretary Goes to Grass Roots

HK1406100190 Beijing RENMIN RIBAO in Chinese  
11 Jun 90 p 3

[Article by Xin Min (6580 2404): "Tian Jiaying Is Welcomed By the Grass-Roots Level"]

[Text] In response to the party's call, a large number of party and government cadres have eagerly gone down to villages, factories and grass-roots units since this spring. How can work at the grass-roots level be carried out thoroughly, and how can substantial results be attained? After reading the book "Mao Zedong and His Secretary Tian Jiaying," I feel that Comrade Tian Jiaying is a good example for us to follow.

In the years 1959, 1961, and 1962, Comrade Tian Jiaying went to Sichuan, Zhejiang and Hunan to study the countryside. He reflected many important circumstances to the party Central Committee, put forward many valuable opinions and suggestions, and made major contributions to the rectification of "leftist" mistakes, and to the surmounting of temporary setbacks in the national economy. There are many aspects in his process of going down to the grass-roots level that should be learned from. There are three aspects which give people the deepest impression:

First, he had an immeasurably deep feeling for the broad masses of the people. When he went in 1961 to the countryside in Zhejiang to conduct investigations, he found out that because of the threat of the "five trends," peasants of a production brigade earned a mere 2.53 yuan per year. Every family suffered a shortage of grain, and each household was exposed to starvation. At a commune members' meeting, he said: "We have let the village elders down. We have not done our work properly and have thus caused you to go hungry." He was very agitated, and tears rolled down his face. He said in a loud voice: "Communist party cadres are servants of the people. They can only serve the people earnestly. They have no right to oppress the common people! The difficulties of the broad masses of the people are our difficulties. The sufferings of the broad masses of the people are our sufferings." The broad masses of the peasants said that it had been many years since they heard such "heart-warming words." Tian Jiaying proposed that the county party committee and the provincial party committee take emergency measures to help the production brigade resume production, in order to resolve the masses' livelihood concerns. Even today, the peasants of this village still miss this "staff member of the central organizations." Tian Jiaying had a great liking for a poem by Zheng Banqiao of the Qing Dynasty. The poem reads: "Lying in my bed in the yamen, I hear

the rustle of bamboo leaves and suspect that it is the sighs uttered by the suffering people. Although I am but an insignificant official of a small county, I have a deep feeling for every twig and leaf in this place." Whether he was in the countryside in Zhejiang, Sichuan or Hunan, Tian Jiaying invariably conducted investigations and worked to serve the people with absolute sincerity. That was an important reason for his outstanding achievements in going down to the grass-roots level.

Second, he was good at immersing himself among the masses to acquire an understanding of the actual situation. Because of the deviations in the guiding ideology of the party at that time, cadres and the masses dared not tell the truth about the serious problems at the grass-roots level. There was a common practice to paint pictures of false optimism. When Tian Jiaying arrived in the countryside, he liked to visit families and enter courtyards. In the courtyards, on raised paths through fields, at the roadside, in the canteens, and at work, he chatted with old peasants, young people, grandmothers and aunts and made friends with them. He did not take the food specially prepared for him by the commune. Instead, he preferred to eat from the same big pot as the peasants. He chose not to ride in the car that had been arranged for him. Instead, he pulled a big cart with the peasants. He took off his shoes and cut wheat together with commune members. To strive for a bumper harvest, he and commune members went to Chengdu to pull a cartload of manure back to the countryside. Because he became one with the masses, he came to understand many actual circumstances. He took care to verify and to secure evidence on the situations reflected by grass-roots cadres. Once, he went to visit a production team and asked the team leader how much grain there was in the granary. The team leader told him that there were still 30,000 jin. He opened the door of the granary and saw that it was full of unhusked rice, and that it looked as if there were really 30,000 jin. He walked onto the pile of unhusked rice and jabbed it with a bamboo pole. The unhusked rice slipped downward, exposing a thick layer of straw underneath. He did not reproach the team leader, he only said humorously: "This unhusked rice has too many stalks and husks!"

Third, he had the courage to seek truth from facts, to reflect the actual situation at the grass-roots level, and to put forward his suggestions. The "Sixty Points" on the people's commune, which had a significant role on rural work, was formulated under the supervision of Comrade Mao Zedong after he adopted Tian Jiaying's suggestions. Of course, there were considerable risks involved in telling the truth. At first, Tian Jiaying also objected to the fixing of farm output quotas for each household. However, after he studied the issue, and earnestly listened to and pondered over the peasants' opinions, he changed his views, for he came to recognize that the fixing of farm output quotas for each household was a necessary measure conducive to the rapid revival and development of agricultural production, and to the improvement of the living standard of the peasants. He

disregarded his personal gain and loss and tried to persuade Mao Zedong to adopt the measure. His proposal was not accepted, and he even lost the trust placed in him. "One's life is unimportant when it comes to benefiting the country, how can anyone neglect his obligations just because he is afraid of misfortune?" Tian Jiaying considered these two lines of a poem by Lin Zexu his maxim.

Comrade Tian Jiaying died a wronged man 24 years ago, and great changes have taken in our party and our country since then. At present, conditions at the grass-root level are much better than they were in those years, especially now that our party has resumed its practical and realistic ideological line. Our party now emphasizes the excellent tradition of developing the mass line, and the situation in the countryside is no longer what it was in the past. There will surely be a positive effect on improving relations between the party and the people, and on promoting the four modernizations drive if all levels of party and government cadres learn from and develop Comrade Tian Jiaying's lofty morals and good style of work.

#### CPPCC Put Forward 200 Proposals Since 1988

OW1406084490 Beijing XINHUA in English  
0811 GMT 14 Jun 90

[Text] Beijing, June 14 (XINHUA)—The members of the Seventh National Committee of the Chinese People's Political Consultative Conference (CPPCC) have made 200 proposals on China's legislature since 1988.

Some of the proposals have already been adopted, according to an official from the Proposal Handling Committee.

Upon a proposal by Huang Qixing, the law on the national flag of the People's Republic of China is now being drafted.

A law on the protection of the handicapped people's welfare is also being formulated in response to a proposal made by a number of CPPCC National Committee members.

Meanwhile, a number of other proposals on formulating laws on information and the protection of industrial enterprises are being considered, the official said.

#### Article Details Nationality Solidarity

HK1506012790 Beijing LIAOWANG in Chinese No. 21,  
21 May 90 pp 11-12

[Article by Hu Chuangwei (5170 0482 0251): "Treasure Nationality Solidarity in the Same Way We Treasure the Apples of Our Eyes—Some Personages of Minority Nationalities Discuss the Nationality Issue"]

[Text] At present, great changes are taking place in the international situation. Especially, in some countries,



nationality clashes have led to serious social disturbances. Under such a situation, people are attaching greater attention to China's nationality problem. Recently, this reporter had an interview with some upper-class minority nationality personages on this question. They held that at present, the situation of most nationality areas in our country is stable. The CPC's nationality policy is in keeping with the aspirations of the broad masses of minority nationality people, and they treasure nationality solidarity in the same way they treasure the apples of their own eyes.

#### **Nationality Relations Have a Considerably Great "Anti-Seismic" Ability**

Jiang Jiafu, deputy director of the State Nationality Commission, said: Last year, China's nationality relations withstood three severe tests: First, political disturbances which took place in some places of the world; second, the turmoil in some places of our country and the counterrevolutionary riot in Beijing; and third, the sabotage of a handful of separatists. He held that there were historical reasons that our nationality relations were able to withstand those tests and to remain stable, but the most important reason was that our party's policy toward nationalities was correct.

Jiang Jiafu, who was born to a Zhuang family, had visited many areas inhabited by minority nationality people. He held that the party's policies on equality among nationalities, nationality solidarity, regional nationality autonomy, and common prosperity and development of various nationalities are all in conformity with our national situation. Brilliant achievements have already been made in implementing these policies, which enjoy popular support. The party and the state have always attached great importance to nationality work, regarding the nationality issue as an important matter concerning the future and destiny of our country. Through the common efforts of the vast numbers of cadres engaging in nationality work, a solid foundation has already been laid for the development of China's nationality work. Nationality relations have a considerably great "anti-seismic" ability. Especially, large numbers of minority nationality cadres who have been brought up and trained over the past years are playing a key role in stabilizing the overall situation and maintaining unity and solidarity.

Ma Xin, former chairman of the People's Government of the Ningxia Hui Nationality Autonomous Region, joined the CPC and the struggle for national liberation long ago. During the interview he said: The reason why so many minority nationality people of the older generation decided to follow the Communist Party in those years was that the CPC represented the interests of all nationalities, including minority nationalities. In its founding declaration, it already put forth the slogan of "equality among nationalities." The old man of the Hui nationality, who was already over 70, held that the CPC's nationality policy has been proved to be successful. It is a strong cohesive force for the broad masses

of minority nationality people and the foundation for nationality solidarity and national unity.

#### **Compare the New With the Old and Make a Clear Distinction Between Right and Wrong**

Vice Chairman Lhalu Cewang Doje of the Chinese People's Political Consultative Conference [CPPCC] Tibet Autonomous Regional Committee, 77, was commander of the rebel army in 1959 when rebellion took place in Tibet. When interviewed by this reporter, he talked about the changes in the history of Tibet and the current situation. He said: At present, the Tibetan situation is basically stable. The broad masses of monks and laymen are expecting peace. A handful of people who try to split up the country will never succeed, because the majority of Tibetan people do not allow them to do so.

Lhalu was one of the biggest serf owners in the past. The hard life of the serfs in the old days still remained fresh in his memory. He said: At that time, the life of the serfs was extremely hard. They were cruelly oppressed and exploited by the serf owners and could never talk about political right and personal freedom.

Over the past 31 years since democratic reform was carried out in Tibet, they have become the new people and the masters of their own houses. Lhalu was very satisfied with the policies mapped out since the Third Plenary Session of the 11th CPC Central Committee. He said: The special policies adopted by the central authorities toward Tibet, such as reducing and remitting taxation and aiding Tibet with large sums of funds and large quantities of materials, have ensured a continuous development of the regional economy. Now, many peasants and herdsmen have built new houses and bought television sets. They also have deposits in the bank. Some of them even have cars and motorcycles. In political life, the peasants and herdsmen have become the masters of their own houses and have the right to speak. Lhalu continued: The Tibetan people are grateful to the party's good policies. Now they only hope that the situation of their region will continue to be stable and the current policies of the central authorities will continue to be implemented for a long time.

#### **Economic Construction Is Going Ahead by Leaps and Bounds**

Jiang Jiafu said that economic development in the minority nationality areas has played an important role in strengthening nationality solidarity there. The Central Government has always attached great importance to the economic development in minority nationality areas. Over the past 40 years, the state's input in these areas has been constantly increasing. Up to the present, more than 650 large and medium industrial enterprises have been established in the 159 nationality autonomous areas in our country, which have fixed assets totaling more than 40 billion yuan. Moreover, a number of modern factories and industrial bases have also been built, enabling the economy of these autonomous areas to develop from a unitary agricultural and stock raising economy to a

modern economy. In these years, the state has developed some major projects in the nationality areas. For example, the Inner Mongolia Autonomous Region has become an important energy production base, the north Xinjiang railway will be completed within this year, the oil industry has been developing quickly in Xinjiang, and the development of the Hongshuihe valley and the construction of a nonferrous metal base in Guangxi have both been speeded up. All this will vigorously promote the economic development in nationality areas.

The decade of opening up to the outside world has also brought about new vitality to the economic development in nationality areas. Especially, a good trend has appeared over the past few years in the development of border trade in some nationality areas, which has helped increase economic returns and promote the economic development in those areas.

Caodanufu Zhayier, vice chairman of the Standing Committee of the Xinjiang Uygur Autonomous Regional People's Congress, said that border trade has helped promote the economic development and stabilize the situation of the minority nationality areas, which are comparatively backward in the economic field. Over the past few years, Xinjiang has mainly opened to the Soviet Union and the Mid-Asia region and expanded the border trade. It has actively carried out economic and technological cooperation and exchange with the outside and has made remarkable achievements in introducing foreign funds. Last year, the region's total export volume reached \$339 million, which was an increase of 13.4 percent over the previous year and a record high. It played a positive role in promoting economic development in this region.

Statistics provided by the State Nationality Commission show that over the past few years, a certain economic growth rate has been maintained by China's minority nationality areas. The effective supply of these areas has continued to increase. In 1988 and 1989, the economic growth rate of the nationality regional autonomous areas was generally the same as the average growth rate of the whole nation. Last year, most of these areas reaped a bumper harvest in agriculture.

#### **The Political Position Has Been Unprecedentedly Increased**

Jiang Jiafu said that while promoting economic development, the political position of the people of various nationalities has also been greatly increased. All nationalities are equal in status, and this is recognized and respected by the state and guaranteed by the law. The people of various minority nationalities are participating in the management of state affairs on an equal footing through the system of people's congress and political consultative conference. They are practicing nationality autonomy in their areas and are exercising their right as masters of their own houses.

Since its founding in 1955, the Xinjiang Uygur Autonomous Region has always attached great importance to

the training and using of minority nationality cadres. Statistics show that at present, there are a total of 225,000 minority nationality cadres in this region, making up 46 percent of the total number of cadres. The posts of chairman of the autonomous region, chairmen of all autonomous prefectures and counties, prefectural heads, county magistrates, and chairmen of the standing committees of various prefectural and county people's congresses, as well as the posts of commissioners of eight administrative offices and mayors of 14 county-level cities are all taken by minority nationality cadres. In both the Standing Committee of the autonomous regional people's congress and the regional people's government, minority nationality personnel make up about 65 percent of the total. They are exercising their power and playing positive roles on their respective posts.

As the political position of minority nationalities has been increased, the policy on equality among nationalities is ensured and the relations among various nationalities have been further harmonized. Huang Yuyang, vice chairman of the CPPCC Guangxi autonomous regional committee, said that since Guangxi became an autonomous region in 1958, the region has conscientiously carried out the policy on nationality regional autonomy and held high the banner of nationality solidarity. With the common efforts of the 12 nationalities in this region, including Zhuang, Han, Yao, and Miao, a new-type nationality relationship characterized by equality, solidarity, and mutual help, has been established there. The idea that "the Han people and the minority nationality people are inseparable from one another" has gone deep into the people's hearts.

Dao Shixun, vice chairman of the CPPCC Yunnan Provincial Committee, said: In the big family of our motherland, no nationality can be separated from the others. This is not only a demand of economic and political development but also an inevitable trend in history. Dao, who was born to a Dai family, is director of the Yunnan Nationality Research Institute. He said that in natural science and technology as well as in many other fields, minority nationalities cannot do without contacting the main nationality. In Yunnan, the people of some minority nationalities want to introduce, apply, and popularize advanced sciences and technologies in grain, rubber, and tropical fruit production. But they cannot do all this without the help of the Han people.

As most minority nationality people in our country are religious believers, the party's policy on religion is also playing an immeasurable role in stabilizing the situation of the nationality areas. Yunzhong Gawa, vice chairman of the Tibet Autonomous Regional Buddhist Association, said that since the Third Plenary Session of the 11th CPC Central Committee, the party's policy on religion has been further implemented. Monasteries and temples have been rebuilt and renovated and religious activities have been carried out normally. The life of the religious personages has also been greatly improved. He had a deep hatred for a small number of separatists who had

made use of religious activities to create turmoil, saying that those people were actually blaspheming religion.

#### Continue To Eliminate Factors of Instability

Some minority nationality personages this reporter has interviewed also admitted that in China, which is a big country with a long history, due to the differences among various nationalities in the ways of production and life, in culture and customs, and in religious belief and their differences in social and economic development, clashes among nationalities and some factors of instability still exist.

Luo Sang, member of the Secretariat of the Communist Youth League Central Committee and a Tibetan, held that political stability is a guarantee for economic stability, and the latter is the foundation for the former. Although a continuous economic development has been achieved in minority nationality areas over the past 10 years, there is still a big gap between them and the coastal areas. This is harmful to social stability. He said: The state should increase investment in nationality areas on the basis of stabilizing the nationality policy and adopt preferential policies toward them so as to promote their economic development. At the same time, it is necessary to attach importance to the development of education and cultural undertakings in these areas and help them train necessary personnel, especially those who are urgently needed, such as stock raising, veterinary surgeon, water conservancy, and agricultural technology personnel, so that the development and construction of the minority nationality areas can be accelerated.

Personages concerned said that over the past year or so, some comrades have weakened their sense of the party's nationality policy. Some have even violated this policy in their work. For example, some people have written articles to insult minority nationality people and harm nationality solidarity. They have undermined nationality solidarity and damaged the party's prestige among the minority nationalities. Therefore, it is necessary to carry out an extensive education both inside and outside the party on the party's nationality policy so as to promote the mutual understanding and mutual support of various nationalities.

#### Supreme Court President Discusses Crimes

OW1406134590 Beijing XINHUA Domestic Service  
in Chinese 0613 GMT 13 Jun 90

[By RENMIN RIBAO reporter Mao Lei (3029 4320) and XINHUA reporter Zhang Sutang]

[Text] Changsha, 13 Jun (XINHUA)—Ren Jianxin, president of the Supreme People's Court, stated here today that, in cracking down on serious criminal offenses, felons, habitual criminals, and ringleaders of organized crimes whom the people detest most and who have committed serious criminal offenses such as murders, rapes, bombings, robberies, gun thefts, serious larcenies, destruction of communications and power

facilities, drug trafficking, abduction and selling of women or children, and hooliganism must be harshly and expeditiously punished according to law so as to deflate the felons' swollen arrogance, to improve public order, and to safeguard social stability.

Ren Jianxin stated this requirement for all people's courts while addressing the national conference of responsible persons of people's courts for a discussion of cracking down on serious criminal offenses. The conference came to a close in Changsha today.

He said: On the whole, the nation's situation is good. Its political, economic, and social situation is stable and will become even more stable in the future. However, there are also factors that cause instability. As far as public order is concerned, the number of criminal offenses has gone up substantially.

During the January-April period, people's courts in the nation accepted 126,900 cases of criminal offenses for the first trials. Compared with the same period last year, there were more criminal offenses involving the illegal manufacturing and theft of guns, ammunitions, and explosives. There were also more major thefts, robberies, premeditated murders, arson cases, uses of poisons, and premeditated assaults. Hooliganism was also rampant.

An analysis of these criminal offenses, which have seriously jeopardized public order, shows that certain new, noteworthy situations have emerged: Enormous amounts of public funds have been stolen by armed robbers, and personnel on duty or even armed police have been killed. Murders have been committed for the sake of money, and law enforcement personnel and innocent people have been killed in retaliation. Smugglers at home and abroad have been colluding in smuggling and narcotics trafficking. Robberies on trains and other modes of land and water transportation have been rampant. Some criminal elements who had just finished prison terms or education through labor have joined prison escapees to commit crimes. They are ruthless in committing crimes, and have caused enormous harm.

Ren Jianxin said: The deterioration of public order has caught the attention of people in all social strata, and they have strongly demanded that effective measures be taken to crack down on the criminal elements. Thus, the crackdown, which will be launched simultaneously in various parts of the country, will be an essential service for meeting the people's demand. It will also be in accordance with the "Decision Relevant to Strengthening Party-People Ties" made by the Sixth Plenary Session of the 13th CPC Central Committee.

Ren Jianxin said: Under the leadership of party committees, all party members should be involved in cracking down on crimes. Under the leadership of the party, people's courts at all levels must fulfill their responsibilities and strive to do an even better job than before in harshly punishing criminal offenders according to law. As specialized organs dealing with crimes, they should broadly mobilize the masses and seek their support to



produce a powerful force for deterring crimes, and so that criminal offenders will have no refuge. In accordance with the situation, certain cases should be tried publicly, large and small meetings should be held to pronounce the verdicts, and the media should be enlisted to widely publicize the crackdown and to call upon the masses to report crimes. Meanwhile, we should urge all criminal offenders to stop committing crimes, turn themselves in as early as possible, confess their misdeeds, and redeem themselves by performing useful services. Those who confess will be leniently treated.

Ren Jianxin urged all people's courts during the crackdown to pay special attention to major cases and to firmly, harshly, and expeditiously punish, according to law, those criminal offenders who have committed heinous crimes and whom the masses detest most.

He stressed: We must uphold the principle of dealing with crimes harshly and expeditiously according to law because this is a correct principle that has been tested practically. We should also pay attention to accuracy and handle all cases based on facts and according to law so that no malignant people will be overlooked and no good people will be wronged. We must handle all cases strictly according to law. The crackdown should be launched along with crime prevention measures so that crimes can be dealt with comprehensively.

Ren Jianxin pointed out: Leaders of people's courts at all levels and all police forces must understand the situation clearly, and they must be fully aware of the importance and necessity of the crackdown. They should have a clear idea of their assignments, readjust and reinforce their strength accordingly, and take an active part in the crackdown.

The conference was held to act upon the call of the Political and Legal Affairs Commission of the CPC Central Committee to crack down on crimes. During the three-day conference, responsible people of higher people's courts of all provinces, autonomous regions, and municipalities directly under the central government, as well as military courts, earnestly discussed how to ensure the crackdown's success.

#### **Commentator's Article Details Asian Games**

OW1406121490 Beijing XINHUA in English  
1159 GMT 14 Jun 90

[Text] Beijing, June 14 (XINHUA)—China's national leading newspaper "PEOPLE'S DAILY" today published an article by its commentator on the coming 11th Asian Games.

Entitled "Making Asiad a Success, To Win Honors for Chinese Nation", the commentary called on Chinese people to make their duty-bound contributions to ensure the coming 11th Asian Games slated for September a success.

It quoted Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, as saying the 11th Asian Games is a sports gala unprecedented in scale in Asia and it is an important event in our national life to make the games a success. The whole party and the people of all nationalities throughout the country should show their solicitude for and support the Asian Games, all walks of life should make contributions to the Asian Games in order to run the games well under the guideline of "unity, friendship and progress."

The commentary emphasized that what Jiang said should be our guidelines in preparing and holding the 11th Asian Games.

The author noted holding the 11th Asiad this year in China has a special meaning.

After recalling that Chinese people had washed away the contemptuous name "a sick man in east Asia" called since the Opium War, the article stressed that great changes have been taking place in the country since the establishment of the Peoples' Republic of China, which convincingly demonstrated the stability in the Chinese society, and the achievements made by Chinese people.

With 100 days left for the Beijing Asian Games, the commentary called on all walks of life in China to make greater efforts to provide high-quality services for over 10,000 participants, including athletes, guests and journalists.

It also hoped that Chinese athletes should make contributions to the development of sports standards in Asia and promote friendship among the Asian athletes.

#### **Column Reflects on '4 Jun' Incident**

HK1506085190 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No. 24, 11 Jun 90 p 1

["Letter From Beijing" by Bao Xin (7637 0207):  
"Thoughts on the Anniversary of '4 June'"]

[Text] Dear Brother:

It has been a year since the "4 June" political unrest in Beijing ended. In the letter I received from you the other day, you asked if I could make some further comments on this question.

Though we have, in fact, discussed this issue at considerable length, I still find it absolutely necessary to say more, for a small number of hostile forces and some unfriendly media abroad have recently been buzzing and rattling on the "4 June" incident and continue to distort facts and attack China.

Party General Secretary Jiang Zemin, in his recent interview with U.S. ABC's Barbara Walters, said: All student strikes fall into two categories. One is spontaneous, which can be settled through dialogue and admonitions without much trouble. The other is master-minded, and may have a certain political program. In

this case, the masterminds behind the scenes used students' antigraft and anticorruption slogans as a cover and then, in a planned way and with evil intent, stirred up and organized student strikes, in an attempt to topple the CPC-led new socialist China. It is true, though, that many people were not fully aware of this at the beginning. Yet, with the unveiling of the truth, the whole incident has become as plain as day to everyone. Here I would like to give a few examples of university students reflecting upon the incident.

A geology student at Beijing University was a member of the team in charge of a tabloid run by the "University Students' Autonomous Union" during last year's turmoil. Later, he said to a reporter: "During the turmoil, whenever a critical moment came, I always found someone making a speech on campus. That the turmoil lasted so long indicates there were indeed some evil manipulators behind it and we were indeed made use of by evildoers. The hunger strike alone, which was not at all a sincere approach to solving the problem, threw the government into an impasse...."

A student in the Computer Science Department of Qinghua University said he was willing to have published his recent article "Staccato Thoughts Following the 50 Days," in which he wrote:

"When Comrade Hu Yaobang died on 15 April, most of the students were deeply grieved. But from the outset, there came out a 'Nine-Article Petition' and a 'Seven-Article Petition,' which was quite beyond my expectation.

"Once the gate of feelings was open, it was hard for us to direct our actions according to our original will and we tended to follow the rumors blindly.... Yes, you want to sober up, but there are so many things beyond your grasp."

He also wrote: "I left Beijing on 3 June, and on arrival in Kunming, I heard that thousands of Qinghua students had died. A direct long-distance call to one of my classmates convinced me that was a rumor.

"I became really scared all of a sudden" when realizing that "there were indeed 'a small handful' of troublemakers."

Please recall what utter chaos Beijing was in when tens of thousands of students and citizens were agitated! Party and government organs could not operate, factories stopped production, and pupils and students were unable to attend classes. For a good 50 days, the students occupied the space in front of the offices of the CPC Central Committee, the State Council, and the NPC standing committee. Many important state activities were out of the question. The government and the army exercised great restraint and were extremely tolerant. May we ask which other country and government could do the same? Under such grim circumstances, the government could make no more concessions and, if it had failed to take resolute measures, a big upheaval would

have followed in Beijing and even throughout the whole country. What a disaster it would have brought to the entire nation! If the tremendous achievements of the past 40 years since the founding of New China, and especially of the last decade, were ruined overnight, how could China possibly change its face of poverty and realize the great cause of the "four modernizations?"

However, the way to handle this turmoil that violated the law of the state depended on the subjective and objective conditions at that time. The crux of the problem lay in the differences at the higher level of the CPC leadership. Zhao Ziyang committed the error of supporting the turmoil and splitting the central leadership. The result was that opportunities were missed and the measures taken later came to be the only way out. But whatever the methods, they are China's internal affair and no country is in a position to interfere. What is hard to understand is that a certain country kept on criticizing China for violating human rights and imposed sanctions on China while brazenly dispatching planes and tanks to, and wantonly and indiscriminately bombing, a sovereign state. Why didn't they receive sanctions?

Though the suppression of the rebellion a year ago was determined by the objective conditions at that particular time, the Chinese Government has derived positive and negative experiences from the "4 June" incident. Just as General Secretary Jiang Zemin said in reply to American reporter Barbara Walters' questions, we should learn to use the methods that some Western countries normally use, that is, to have sufficient riot police strength and enough nonlethal weapons to maintain social order. Meanwhile, we should also work out numerous laws and regulations to ensure that we can put our energy into economic construction.

In my humble opinion, the CPC and government leaders have repeatedly talked about the social background, the process of development, and the handling of the "4 June" incident, and the positive as well as negative experiences to be drawn from it. Their remarks were frank and unequivocal. Some hostile forces and unfriendly media abroad have to be left to make a fuss about this incident and sow dissension, as they have been doing, desiring to see China plunged into chaos again. However, they are obviously finding less and less support.

We may firmly believe that all truly sincere patriots of the Chinese nation will take a correct attitude toward the past and look ahead to the future with full confidence. What matters most now is to continue to maintain national stability and make solid contributions to vitalizing China with concerted efforts from all quarters of the nation. Bao Xin 4 June



### Township's Approach on Rural Work Praised

HK1506035590 Beijing RENMIN RIBAO in Chinese  
6 Jun 90 p 1

[Commentator's article: "Further Comments on Dahe Township's Three Basic Experiences"]

[Text] RENMIN RIBAO frontpaged a report entitled "The Big River Flows This Way" on 22 May, introducing the basic experience of Dahe Township, Huolu County, Hebei Province in doing rural work, and also published a commentary entitled "Pay More Attention to Materialist Dialectics," which discussed the question of ensuring the stability of rural policies from the angle of cadres' method of thinking. Today, let us comment again on the basic experience of Dahe Township.

Dahe Township's basic experience can be summed up in the following three aspects: Lay stress on developing productive forces and correctly handle the relations between centralization and decentralization; with agriculture as the foundation, correctly handle the relations between industry and agriculture; and with the purpose of serving the people in mind, correctly handle relations between cadres and the masses. Although this experience is not new or complicated, it is rather difficult to put into practice. With many tasks to perform in current rural work, a grip of the experience in these three aspects is tantamount to grasping the "aorta."

First, put "decentralization" in a correct relationship to "centralization." Rural reform started from the various forms of the contracted responsibility system on the household basis with payment linked to output. In a sense, this is one type of "decentralization." Because of differences in understanding, there have been frequent disputes for a period in some localities over the relationship between "centralization" and "decentralization." When "decentralization" is stressed, they have tried to reject any form of "centralization;" and when "centralization" is emphasized, they have indiscriminately negated "decentralization." As a matter of fact, "centralization" and "decentralization" are two layers in a two-level operation system which complement each other. It is the summary of the experience of developing the rural economy under China's socialist system. With the household as the main production and operation unit, "decentralization" refers to giving full play to the enthusiasm of laborers in agricultural production. With the support of the grass-roots level rural organizations, "centralization" refers to helping peasants solve problems which cannot be handled by a single household and linking the peasants through various services offered. Because of different natural conditions and levels of productive forces, both the extent and form of "centralization" and "decentralization" of localities may vary, though the structure will be more or less the same. This combination of centralization and decentralization constitutes the basic form of the socialist operation system with Chinese characteristics now prevailing in China's rural areas. Any attempt to stress one aspect at the expense of the other will only hinder the development of

the rural economy. Dahe Township has correctly recognized this and combined the two in harmony, presenting a favorable situation of stable policies, ease of mind, and production development. It should be noted that most localities have stressed stability of the contracted responsibility system with payment linked to output. As to the strengthening of "centralization" work proposed by some localities in view of the weak links in service work in the past, it is aimed at enhancing unified services for scattered peasant households rather than a return to the old system. In a word, the purpose is to further emancipate the rural productive forces rather than fetter them, and to enable the peasants to effectively exercise their decisionmaking powers rather than recall such powers. The comrades engaged in rural work should understand this point.

Second, put agriculture in a correct relationship to industry. Can the peasants develop industry? Will their involvement in industry affect agriculture? Practice has given the answer. The places which have developed rural industry, such as Beijing's Dudian, Henan's Liuzhuang, Tianjin's Daqiu Zhuang, Jiangsu's Huaxi, and Shandong's Xinmouli, all have staying power and are in the forefront of agricultural modernization. This shows the conformity of developing necessary rural industry and agriculture. While developing industry, Dahe Township did not forget the "foundation" of agriculture. It could correctly handle relations between industry and agriculture, develop industry on the basis of agriculture, and develop industry to promote agriculture.

Dahe Township developed the processing industry with farm and sideline produce as raw materials, established rural industry on the basis of agriculture, and promoted the benign cycle of its economy. This experience merits attention. Apart from some economically developed regions and outskirts of some cities and towns, following the example of Dahe Township can avoid the duplication of urban and rural industry and ease the scramble for raw materials and energy. Viewed from the rural areas, the processing industries and service trades established on the basis of agriculture can steadily develop as they suffer less interference from unfavorable external factors. In short, there will be bright prospects for the rural economy so long as we pay close attention to grain production with agriculture as the foundation, proceed from practice and develop industry and sideline occupations by using local materials, develop forestry in mountains and fishery in lakes, and make the most of local natural and intellectual resources.

Third, properly handle relations between cadres and the masses. In recent years, relations between cadres and the masses have been tense in certain rural areas. Apart from the work style of cadres, it is mainly due to the problems in economic benefits arising from the change in economic structure. With the large size and collective nature of people's communes and everybody eating from the same big pot in the past, the personal interests of the peasants were not properly protected. The peasants did not even know when they suffered losses. Following the

implementation of the responsibility system, every peasant household cared more about its interests as it had its interests directly in its hands. Everything was clear: Retention of profits, apportioning of expenses, and delivery of grain and profits. Under such circumstances, if our cadres cannot resolve difficulties for peasants and dispel their worries in normal times, but look to the peasants only when they need grain and money, it is quite natural that the peasants will have a lot of complaints about cadres for just taking and not giving any help, resulting in tense relations between cadres and the masses. With serving the people as their purpose, the cadres of Dahe Township have "demands" as well as "offers." They ask the peasants to "deliver" and also "offer" help to the peasants. They also attach primary importance to the pre- and post-production services for peasants and help peasants develop their economy. Hence, they seize the substance of handling well relations between cadres and the masses under the new situation and appropriately straighten out such relations. The governments and cadres at all levels should regard correct handling of relations of interests among the state, the collective, and the peasants as an essential link to establish ties with the peasants.

The experience of Dahe Township is real and practical. We recommend it to our readers once again and hope that due attention will be attached to it.

### Example of Stability

HK1506035390 Beijing RENMIN RIBAO in Chinese  
6 Jun 90 p 1

["Dahe Township's Experience in Doing Rural Work Evokes Strong Repercussions in the Rural Areas of Shijiazhuang City"]

[Text] Shijiazhuang, 5 Jun—When RENMIN RIBAO carried a report on the experience of Dahe Township, Hulu County, Shijiazhuang in doing rural work, it evoked strong repercussions there. On the day the report was released, Li Yusheng and three other peasants of Dahe Township went to see village head Wang Luyuan with the newspaper. They said with excitement: "This is what we expect: Continuity of the policies and the peasants leading a well-off life. We should no longer go from one extreme to the other, inclined to 'left' at one time and 'right' at another."

On the second day, Li Haifeng, secretary of Shijiazhuang City party committee, called a meeting of the standing committee of the city party committee to discuss how to spread the experience of Dahe Township. He said: "The primary task of rural areas at present is to maintain stability. Stability is above everything. It is the long-cherished aspiration of the peasants to maintain stability of the policies. To maintain long-term stability, we should follow the example of Dahe Township, combine the party's principles and policies with local strong points in line with local conditions, seek ways of development, and guide work according to laws."

Following that, SHIJIAZHANG RIBAO frontpaged the Shijiazhuang City party committee's "Opinions on Learning From the Advanced Experience of Dahe Township, Continuously Deepening Reform, and Promoting the Building of Spiritual and Material Civilization in the Rural Areas of the Whole City." The document stressed that "to learn from Dahe, the most important thing is to master the laws governing rural work; only in this way can we draw the 'real experience.'"

The Huolu County party committee and government held an on-the-spot meeting of leaders of all townships (towns) of the county in the fields of Dahe Township to spread the experience of Dahe. Following their visit to Dahe and listening to an account given by township party committee Secretary Liang Wenshu, the leaders of some townships realized that their field of vision had widened. Liang Lu, head of Shijiazhuang Township, said with deep feeling: "We all wish to see a sustained and steady development. Why do things sometimes go contrary to our wishes? It seems that if we cannot master the laws, it will be impossible to attain stability. Dahe Township maintained development because they could master the laws governing rural work. We cannot share out everything while stressing decentralization or exercise rigid control while stressing centralization."

At the on-the-spot meeting, Liu Jinting, secretary of the Huolu County party committee, described the successful experience of Dahe Township: "Although the leading bodies of the Dahe Township party committee and government have changed several times over the years, the train of thought for economic development has remained unchanged. The new leadership has always adhered to the economic development road explored by the former leadership and tried to continuously develop and perfect the train of thought of the former leadership. When work is unfinished by leaders of a term, the leaders of the new term will continue. Dahe Township could attain the prosperity of its economy precisely because of this sustained and stable train of thought for economic development."

Wang Luyuan, head of Dahe Township, said: "Despite the work we have done in recent years, we should make further efforts to improve our work and advance ahead as things will constantly develop and when old problems are resolved, new ones will emerge."

Zhengding, Luancheng, Jingjing, and other counties under the jurisdiction of Shijiazhuang City also started a drive to learn from and spread the experience of Dahe Township.

### Article Marks Anniversary of Opium War

HK1506055490 Beijing JIEFANGJUN BAO in Chinese  
5 Jun 90 p 3

[Article by Zhang Zhongxian (1728 0112 0341): "Carry Forward Patriotic Spirit, Keep Firm Conviction in Socialism—Commemorating 150th Anniversary of Opium War"]

[Text] The Opium War, which broke out 150 years ago, marked the beginning of China's being reduced from a feudal society to semicolonial and semifeudal society, and also presented the prelude to the Chinese people's anti-imperialist and antifeudalist revolution. When commemorating the 150th anniversary of the Opium War, we need to review China's modern history, and this is of great immediate significance for further carrying forward the patriotic spirit and keeping a firm conviction in socialism.

**First, China's history after the Opium War shows that the nature of imperialism is aggression and plunder, so we must maintain vigilance at all times**

The outbreak of the Opium War was not an accidental event in history, but an inevitable result of the external colonialist and expansionist policy of Western capitalism. Before the Opium War, China was a feudal country under the rule of the Qing Dynasty. In the second half of the 17th century, the Qing Dynasty began gradually to decline. The government became corrupt; national defense was neglected; state finances fell into straitened circumstances; and the contradictions between the feudal landlord class and the peasantry was getting sharper. At the same time, European and American capitalism was developing drastically and urgently needed external expansion and plunder and to open the international market. China, which was highly populous, large in size, rich in resources, and backward economically, naturally became a main target of the Western capitalist powers, especially the British aggressors. In order to break open China's door, the Western imperialist powers, headed by Britain, resorted to diplomatic coercion and armed threats. Finally, they used opium as a "brick" to break open China's market. Opium was a drug that would destroy people's health and would not be easily given up once a person became addicted. The British and American bourgeoisie kept transporting more and more opium into China through various channels, thus seriously undermining China's urban industry and commerce and rural productive forces, causing the drainage of a large quantity of silver out of China, and bringing about a serious financial and economic crisis in China. This situation aroused the Chinese people's strong opposition to the opium trade. In these circumstances, the Qing government was forced to appoint Lin Zexu as imperial commissioner for banning opium. After arriving in Guangzhou, Lin immediately launched a campaign to punish opium traders and corrupt officials involved in the opium trade and to confiscate opium. From 3 June to 25 June 1839, Lin Zexu had more than 20,000 chests of opium openly destroyed on the beach at Humen. The action of destroying opium in Humen was a just and patriotic action of the Chinese people to safeguard their national dignity. However, the British Government took it as a pretext for launching a war against China. In June 1840, Britain's "Oriental Expeditionary Force," comprising a fleet of warships for the invasion of China, reached the Guangdong coast, and the First Opium War officially began. The war lasted

more than two years, from June 1840 to August 1842. During the war, Lin Zexu, Deng Tingzhen, and other officers led the troops and civilians in Guangdong in bravely resisting the invaders, and they successfully repulsed many assaults staged by the British force. However, because the Qing government was corrupt and incompetent, China was finally defeated in the war. The Qing government then accepted all the terms put forward by the British invaders, including the cession of Hong Kong, and signed the "Sino-British Nanjing Treaty," which humiliated the nation and forfeited its sovereignty.

After the British aggression against China, the United States, France, Germany, Tsarist Russia, and Japan also stretched their aggressive tentacles into China. They successively launched a series of wars of aggression against China, including the Second Opium War, the Sino-French War, the 1895 Sino-Japanese War, and the invasion of the eight-power joint force in 1900. They used military force to coerce the Qing government into signing a series of unequal treaties, including the "Wangxia Treaty," the "Huangpu Treaty," the "Tianjin Treaty," the "Beijing Treaty," the "Shimonoseki Treaty," and the "Xinchou Treaty," thus staging a surging tide of contending for spheres of influence in China. The United States put forth the "open-door" policy in this period, and demanded that it be able to share equal rights and interests with other countries in their "spheres of influence." China's land of enchanting beauty was thus almost carved up by the imperialist powers.

The course of development of the Opium War showed with undisputed facts that the nature of capitalism is aggression and plunder. One hundred and fifty years ago, capitalism used the material means of opium to harm the Chinese people's mental and physical health and used gunboats to break open China's door. Since then, Western capitalism has never stopped its aggression against China and its plundering of China. After the founding of New China, they first imposed embargos and blockades and made armed threats against China, and even spread the flames of war to the banks of the Yalu Jiang in an attempt to throttle New China in its cradle. After their armed threats failed, they attempted to change China's color through pursuing the "peaceful evolution" strategy in order to achieve the purpose of "triumphing without fighting a war." By adopting various means, they tried to impose the political and ideological concepts, moral standards, and values of the Western bourgeoisie on the socialist countries. This was in fact a kind of spiritual opium, which was more misleading and deceptive than opium. During the political storm last year in our country, Western hostile forces actively incited and supported the domestic reactionary forces in our country to stir up turmoil and to revolt. After we successfully checked the turmoil and quelled the counterrevolutionary rebellion, the Western bourgeoisie did not resign themselves to failure. They not only imposed economic sanctions against our country,



but also tried to create confusion in the minds of the people through various channels and to disrupt our country's stability and unity in order to achieve their sinister purpose of subverting the socialist state in China. The contemptible means and dirty tricks of the Western bourgeoisie fully show that the aggressive and plundering nature of the bourgeoisie has not changed. We must not relax our vigilance against the imperialists' armed aggression and "peaceful evolution" conspiracy at any time.

**Second, China's history after the Opium War shows that the Chinese nation has an indomitable spirit in the struggle, and we must always maintain and carry forward this spirit**

China's modern history after the Opium War was first China's history of suffering from Western powers' aggression, and was also the Chinese people's history of resisting foreign aggression. When facing the strong gunboats and powerful weapons of the aggressors, the patriots and the broad masses of people in China did not yield and fought bravely and indomitably. There were a great many heroic and moving deeds in the anti-aggression struggle. Such national heroes as Lin Zexu and Guan Tianpei and the resistant struggle of the residents of Sanyuanli against the British invaders were prominently representative of these heroes and heroic deeds.

Lin Zexu was the first national hero in China's modern history of resisting foreign aggression. He not only broke through tremendous obstacles and deflated the arrogance of the foreign aggressors in the action of destroying opium in Humen, but also made preparations against Britain's large-scale armed invasion and led the troops and civilians in the coastal areas of Guangdong to stand in combat readiness and deal head-on blows to the invading enemies. Guan Tianpei, the Chinese naval commander who fought together with Lin Zexu, led the troops to fight bravely against the British forces which invaded Humen, and personally supervised the military operations at the Jingyuan Fort day and night. In spite of multiple serious wounds, he continued to direct operations, and personally fired cannon in defense of the fort even when his clothes were soaked with blood. He finally used his sword to fight the enemies and was killed in the fort, and more than 400 officers and soldiers defending the fort all heroically gave their lives in the battle. In another battle, Chen Liansheng, the garrison commander, and his son, together with more than 700 officers and men defending the Shajiao Fort, also bravely fought to the death due to a lack of reinforcements when resisting heavy odds. The local masses gathered the bodies of the soldiers and buried them together, and the tomb was named "Tomb of the Heroic Martyrs" and evidenced the Chinese nation's indomitable struggle against foreign aggression. The resistance struggle against the British invaders waged by the people in Sanyuanli of Guangzhou marked the first brilliant example of the spontaneous anti-aggression struggles organized by the common people who defied brute force.

After storming into Guangzhou City, the British invaders burned, killed, looted, and raped women wherever they went, and this caused great indignation among the people in Guangzhou. In May 1841, some British troops went to Sanyuanli, a village near Guangzhou City, to harass the residents there. Led by Wei Shaoguang, villagers in Sanyuanli bravely resisted the invaders.

They fought with crude and primitive weapons, killed more than 200 British officers and men in the battle, and seized a large quantity of weapons from the enemy. The anti-British struggle of the people in Sanyuanli became a banner of the Chinese people in resisting foreign aggression in those years, and fully demonstrated the Chinese nation's heroic and patriotic spirit of fearing no brute force, fearing no sacrifice, and daring to fight the enemy. This is the root cause of the Chinese nation's endless life and inextinguishable soul. A few years ago, an "elite" who advocated bourgeois liberalization tried hard to negate the Chinese nation's patriotic tradition and spirit of struggle while calling for "wholesale Westernization." They even clamored that "the Chinese constitute an inferior race" and that "China should be a colony for 300 years" if its backward conditions are to be changed. These people completely lost the integrity and dignity of the nation. At present, the international situation is changeable, and imperialism is stepping up the implementation of its "peaceful evolution" strategy against us. Last year, after the counterrevolutionary rebellion in Beijing was quelled, some people, the scum of the Chinese nation, fled to foreign countries, and they and the domestic hostile forces echoed each other at a distance in an attempt to subvert the people's government. On the other hand, the economic problems which had accumulated for a long time in our country could not be completely settled within a short time. In this period, when our country is facing external pressures and internal difficulties, we should particularly carry forward the Chinese nation's indomitable revolutionary spirit, resolutely withstand external pressures and blows, bravely overcome all difficulties in the course of advance, and push forward our socialist cause.

**Third, China's history after the Opium War shows that only socialism can rescue China, so our Army must always bear in mind the glorious mission of defending socialism**

After the Opium War, the Chinese people experienced untold sufferings. They were not only the victims of feudal oppression, but also enslaved by colonialism. The heavy double oppression increasingly impoverished the Chinese people, and also quickened the awakening of their revolutionary consciousness. The Chinese people began to combine their struggle against imperialist aggression with their struggle against the feudal rule of the Qing Dynasty, and waged new struggles. In the long process of history, patriots of various social classes explored ways to rescue the nation. However, among the reformists of the landlord class, represented by Lin Zexu; the Taiping peasant revolutionaries, represented by Hong Xiuquan; the bourgeois reformists, represented by Kang Youwei and Liang Qichao, who launched a reform

movement; and the bourgeois revolutionaries, represented by Sun Yat-sen, who led the 1911 Revolution, none succeeded in finding a bright road for disaster-ridden China. Facts show that when the world entered the period of imperialism and proletarian revolution, China was not allowed by imperialism to become an independent capitalist country, and the feudal forces in China also did not allow capitalism to replace them. The Chinese bourgeoisie which grew up in the crevices of the semicolonial and semifeudal society had no ability to lead China to move onto the road of developing capitalism independently. Capitalism was not feasible in China. China could be rescued and developed only through the new democratic revolution and then through socialist revolution and construction all under the leadership of the CPC. In the last 40 years since the founding of socialist New China, we have established an independent and integrated national economic system on the poor and backward foundation of old China, and have laid an initial material foundation for prosperity. Our country's GNP and national income have increased respectively to 19.8 times and 18 times those in the early period of the people's republic. As the population in our country continued to increase, we still relied on our own strength to solve the problem of supplying sufficient food and clothing to the 1.1 billion people. This is a remarkable achievement acknowledged generally by the whole world. Although our socialist cause has experienced many twists and turns and the superiority of socialism has not been brought into full play, the advantages of the socialist system are self-evident and beyond all doubt. As compared with other developing countries which were colonies or semicolonies in the past and which have similar populations and geographical conditions, our country has recorded a much higher speed of economic growth and much higher standard of living among the people, and possesses much greater national strength. Moreover, because we adhere to the socialist road and the principle of independence and self-determination, our country holds an important position in the world community. All this marks a tremendous change as compared with old China's condition of being bullied and humiliated by foreign powers.

Through reviewing China's history in the past 150 years since the Opium War, we deeply realize that in order to carry forward the patriotic spirit, we must now hold high the banner of socialism. As General Secretary Jiang Zemin recently stressed, to carry forward our patriotic tradition, we must "combine our love for the motherland with our love for socialism." In the past, we made great achievements under the leadership of the CPC through adhering to the socialist road; in the future, in order to build China into a wealthy and powerful socialist country with a high degree of civilization, we must continue to uphold the leadership of the CPC and adhere to the socialist road. Our Army is the people's army led by the CPC, and is the pillar of the proletarian dictatorship and the powerful backing of the socialist cause. We must always bear in mind our great historical mission, do a good job in the Army's political, military, and

logistical construction, fully enhance the troops' combat effectiveness, and successfully fulfill the glorious task of defending the motherland and defending the socialist cause.

### Slant on Opium War Issue Scrutinized

HK1506015990 Hong Kong HONGKONG STANDARD  
in English 15 Jun 90 p 9

[By Tammy Tam]

[Text] Beijing ended a month-long education campaign about patriotism on June 3 to commemorate the Opium War against Britain 150 years ago.

By linking the commemorative activities to the current political situation, Chinese authorities intend to tell young people interested in Western ideas, that the West has never given up its attempt to "subvert" China, either by force or by peaceful means.

Hu Sheng, president of the Chinese Academy of Social Sciences, made this point clear in a speech delivered to a symposium on the war held in Beijing on June 3.

"Before the Opium War China was almost totally isolated from the outside world. The Opium War broke such isolation and forced China to have close contacts with the world."

"But whether it (China) contacts the world as a colony or a semi-colony, or as an independent country is a serious question which decides the fate of the country and its people," he said.

The symposium, organized by the Chinese People's Political Consultative Conference (CPPCC), and held one day before the anniversary of the June 4 crackdown, was the major event in a series of commemorative activities.

The more than one hundred participants at the symposium, chaired by vice-chairman of the CPPCC Fang Yi, agreed that the maintenance of national dignity was a top priority as China opened up to the outside world.

The Chinese government is more and more worried by the spread of Western ideas in the course of China's opening up. It fears people are following the West blindly, abandoning socialism.

Beijing blamed this as one of the major causes of last year's unrest.

The symposium's message to the people was that the modern history of China has proved that only socialism can save China.

However, observers noted that equal emphasis was put on continuing the open-door policy. The theme was to combine patriotism with a further opening up.

Thus the commemorative activities stressed that Lin Zexu, the Chinese national hero who burned opium

seized from the British and conducted the war against the British, was also the first to advocate China's opening up to the outside world and suggest that China should learn from the West so as to defeat it.

Mr Fang said Chinese people treasured the socialist system which they had chosen and the national dignity they had won after generations of hard struggle, but China would not go back to isolation.

The opening up today, was to be different from the forced opening after the Opium War, said Mr Fang, and the country would never again bow to foreign forces.

The authorities invited Lin Qing, a grandson of the fifth generation of Lin Zexu to speak at the symposium.

Mr Lin, the deputy chairman of the Fujian provincial CPPCC, declared that the setting up of the new China (in 1949) had helped the Chinese people gain independence.

Outside Beijing, similar activities were held in Guangdong and Fujian.

In Guangdong's Dongguan County, more than 150 people from all circles, including some from Hong Kong and Macao gathered in Humen, the place where Lin Zexu burned the opium on June 3, 151 years ago, to commemorate the national hero.

Guangdong's party chief Lin Ruo said that opening up and reform were the only way to make China strong, but the "spiritual opium" from the West should be resisted.

In Fujian, party chief Chen Guangyi said that Lin Zexu was the very first Chinese who "opened his eyes to see the world".

At a meeting, attended by provincial leaders, descendants of Lin Zexu and representatives from different circles, Mr Chen said that Lin's patriotic enthusiasm, reform and opening up should be continued.

Therefore the special economic zone in the province should be further developed, he said.

#### **Direct Air Service With Taiwan Viewed**

*HK1306062290 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No. 22, 28 May 90, pp 3-4*

[Article by staff reporter: "Making a Detour Wastes Money and Manpower, and Direct Air Service Is Inevitable—Hu Yizhou, Director of the Civil Aviation Administration of China, Earnestly Looks Forward to Direct Air Service Between the Two Sides of the Straits at an Early Date"]

[Text] While interviewed by our reporter, Hu Yizhou, director of the Civil Aviation Administration of China [CAAC], pointed out: The conditions for direct air service between the two sides of the Taiwan Straits have become increasingly ripe. As long as we make concerted efforts, the day when direct air service can be carried out will come earlier. He hoped that the Taiwan sport

delegations which attended the 11th Asian Games would fly across the Taiwan Straits directly to Beijing, and that this would be regarded as a prelude to the direct air service between the two sides.

#### **Direct Air Service Between the Two Sides Is Inevitable. Practical Efforts by Any Taiwan's Airline Companies, Organizations, or Individuals Must Be Welcomed and Supported**

Hu Yizhou said: Since the CPC formulated its major guiding principle for the peaceful reunification of the motherland in 1979, thanks to the efforts made by compatriots of the two sides, the situation on the two sides of the straits has changed. The previous long-term disconnection has been changed into a limited contact. Their relations have entered a new historical period. In October 1981, Ye Jianying, chairman of the NPC Standing Committee, delivered a speech, further explaining the guiding principle and policy on Taiwan returning to the motherland, and peaceful reunification. He suggested that both sides offer convenience for exchanges of mail, trade, air and shipping services. At that time, the CAAC immediately made a decision, stating that it was always ready to build a air bridge linking the two sides of the straits, and to hold talks with the Taiwan aviation authorities on air service. In 1987, delegations from the CAAC and China Airlines contacted for the first time in Hong Kong to smoothly solve the event of "China Airlines." This was a story told from mouth to mouth with general approval.

Director Hu Yizhou continued: While doing things, the Chinese have always attached importance to favorable climatic, geographical and human conditions. Direct air service between the two sides of the straits conforms with our favorable climatic and geographical conditions. Since Taiwan and the mainland are so close to each other, why should we seek far and wide for what lies close at hand, and make a detour? To various airline companies in Taiwan, which have considerably developed their business, their business development on the mainland is an important aspect which they cannot afford to ignore. It is appropriate to say that direct air service between the two sides of the straits is a gold air line which will be beneficial to aviation undertaking of both sides. Why not go ahead with it? As far as human conditions are concerned, opening up direct air service between the two sides of the straits is not only a consistent advocacy of the Chinese government, but also a common desire of the compatriots on both sides of the straits. In the meantime, it is Taiwan compatriots who will be first benefited. It is known to all that over the past few years several hundred thousand Taiwan compatriots have come to the mainland every year to visit their relatives, go sightseeing, do business, make investments, and carry out cultural and sport exchange activities. The number of Taiwan compatriots coming to the mainland has increased recently. In March this year alone, there were more than 100,000 Taiwan compatriots coming to the mainland. But many of them were



stuck in Hong Kong. This has truly created inconvenience for them. At present, the Taiwan authorities have successively approved the Taiwan public to visit their relatives on the mainland, or carry out industrial and commercial inspection. Those "people's representatives" are also allowed to do so. In addition, they also allow members of the Kuomintang [KMT] Central Committee Standing Committee, members of the KMT Central Advisory Commission, and members and alternate members of the KMT Central Committee to apply in their own names to visit their relatives on the mainland. However, with regard to air and shipping services between the two sides, the KMT authorities have persisted in refusing to contact, and hold talks with the Chinese government. They still refuse to offer convenience in this regard. People are allowed to go to the mainland, but not transport means which send passengers here and there. Must we seek far and wide for what lies close at hand, and let Taiwan compatriots, and those, the aged in particular, go by a roundabout route through Hong Kong, Tokyo, and other places to endure hardships due to a long journey? It is truly unreasonable!

Hu Yizhou maintained that we must reach the following common understanding: Since the two sides of the straits belong to one China, their aviation undertaking must be run by the Chinese. Realizing a direct air service between the two sides of the straits is an irresistible general trend which reflects the feelings of the people. As long as we exert concerted efforts in this regard, the day when the direct air service is provided will come earlier. He stated that the CAAC is always ready to hold talks with the Taiwan Civil Aeronautics Administration, and all of Taiwan's other governmental, or nongovernmental airline companies in Beijing, Taipei, or other suitable places to discuss matters of primary importance connected with direct air service. We also welcome Messrs Chang Chien-pang, Chen Chia-ju, and others to come personally, or send their delegates to come to the mainland to have a look, or talk with us. We do not mind even though the talks are not successful. We also welcome Mr Wu Yueh, and other gentlemen from "China Airlines" if they are willing to come to visit the mainland, or carry out inspection. We welcome, encourage and support real efforts made by any of Taiwan's airline companies, organizations, or individuals to promote direct air service between the two sides of the straits regardless of their position, scale, and economic power.

**Over the Past 40 Years, Civil Aviation Undertaking on the Mainland Has Been Developing Very Rapidly, and in Recent Years We Have Been Making Sufficient Preparations for Direct Air Service Between the Two Sides of the Straits. To Provide Such Service, the Civil Aviation Administrative Departments on Both Sides Must Contact and Discuss the Matter With Each Other, and the CAAC Will Provide Full Cooperation and Support**

In recent years, with more and more Taiwan compatriots coming to the mainland to visit their relatives, go sightseeing, conduct industrial and commercial inspection,

and carry out cultural and sport exchanges, and economic and trade relations between the two sides growing constantly, how to provide the most direct and convenient air service between the two sides of the straits has become a problem which most strongly reflects the voice of the masses, and a problem which must be solved urgently. Director Hu Yizhou stressed that the CAAC has made full preparations for the direct air service between the two sides.

He continued: Over the past 40 years, civil aviation undertaking on the mainland has been developing considerably. At present, the mainland has more than 400 airplanes in 35 types ranging from China-made Yun-7 to the most advanced B747-400 aircrafts. We have about 200 transport planes in 17 types. The mainland has also advanced and systematic maintenance bases which can provide maintenance service for all kinds of aircrafts from Taiwan. We have our civil aviation institute and cadres' management institute for training flight crews and ground personnel. We have our own designing institute, scientific research institute, aviation materials company, oil company, and so on. Now there are 98 airports which are used by the CAAC, and 49 of which are suitable for Boeing 737 aircrafts, or aircrafts of the more advanced models. Many airports have their own joint inspection facilities. They have been, or will be opened up to the outside world. We are now firmly grasping the projects of improving various basic facilities, including aviation channels, navigation, telecommunications, weather forecasts, and so on. Navigation radars, instrument landing systems, omnibearing beacons, distance facilities, weather radars, and other advanced equipment have been installed in some important airports and channels. We have also formulated our plans for the routes of direct air service between the two sides. We guarantee that the aircrafts of any Taiwan airline companies will be provided with necessary and good services on the mainland.

However, Hu Yizhou stressed: Civil aviation is a service undertaking which requires very powerful technology. It involves issues such as application for airline, permission for aviation rights, flight control, and maintenance. Since all the matters are connected with flight safety, this has demanded that civil aviation administrative departments from the two sides sit face-to-face to discuss the relevant problems. As long as both sides contact with each other, all the problems can be solved. The CAAC will provide sufficient cooperation and support.

He pointed out: The CAAC, as a civil aviation administrative organ of the state, has administered in a unified way civil aviation undertaking of the whole country. We have formulated our guiding principle and policies for developing civil aviation undertaking, and worked out rules and regulations governing it.

It can examine and approve the plans for either establishing or canceling civil aviation enterprises, issue relevant business and technical licenses, examine and verify plans for buying or renting aircrafts, conduct talks with

foreign countries, distribute aviation rights, establish air transport enterprises, and so on. Regarding matters related with direct air service between the two sides of the straits, authorized by the CAAC, administrative organs in various localities, various provinces, cities and autonomous regions, and airline companies, can conduct certain contacts and discussions. But, eventually all matters must be directly handled and approved by the CAAC.

**Air Service Between the Two Sides Should Be Regarded as a Domestic Air Line. But Within a Certain Period, It Can Be Handled in Accordance With a Special Policy. Some Problems Including Symbols, Flags, and Others, Must not Become an Obstruction to Direct Air Service Between the Two Sides**

Hu Yizhou said: Direct air service between the mainland and Taiwan should be regarded as a domestic route. However, within a certain period, due to various reasons it can be temporarily treated as the route between Hong Kong and the mainland. Regarding transport management, rules and regulations, quoting prices and settling accounts, arrangements of the numbers of flights, and so on, they can be handled in accordance with the relevant rules and regulations formulated by the CAAC. Matters such as entering and leaving the mainland, issuing travel documents, management of flight crews, aircrafts, passenger and cargo flight, and postal service, and other issues related with security can be dealt with in accordance with the rules and regulations worked out by relevant departments.

Direct air service between the two sides undoubtedly means flying to the mainland and Taiwan. But if the Taiwan side still has temporary difficulties, we may let Taiwan airline companies fly to the mainland alone for a certain period under certain conditions.

We have now noticed that the problem of flags seems to have become a stumbling block to the direct air service between the two sides. However, since our direct air service is a domestic air line, this problem can be solved. In addition, the International Civil Aviation Organization does not firmly stipulate that national flag is always needed in flights. Therefore, we welcome all Taiwan's airline companies as long as they do not hang the flag, or emblem of the "blue sky and white sun," or make use of the flights and other business activities to create "two Chinas," or "one China, one Taiwan." We hope that some qualified Taiwan airline companies will start the work with irregular flights to coastal cities, and that they will promote the flights in an orderly way and step by step. We also hope that the flights will be jointly run by several airline companies from both sides.

**During the Period of the Asian Games, We Hope That Taiwan Sport Delegations Will Cross the Taiwan Straits and Fly Directly to Beijing, and That This Can Be Regarded as a Prelude to the Direct Air Service**

Director Hu Yizhou also said: The Asian Games are approaching. During the period of the Asian Games, the

CAAC is ready to provide all necessary support and to offer convenience so that the Taiwan side can send its sport delegations directly to Beijing. We are ready to hold direct talks with the Taiwan side with regard to some technical problems such as air route, telecommunications, and so on. We hope that various Taiwan's airline companies will actively exert their efforts to create a precedent of the direct air service between the two sides. Of course, if the CAAC is asked to send aircrafts to Taiwan to take its sport delegations to Beijing, I think that we can do so.

**Regulations on Special State Bonds Issued**

*OW1506072190 Beijing XINHUA Domestic Service in Chinese 0718 GMT 8 Jun 90*

[Text] Beijing, 8 Jun (XINHUA)— The Regulations of 1990 Special State Bonds of the People's Republic of China

**Article 1** The decision on issuing the 1990 special state bonds is made in order to pool funds to support state construction and promote coordinated development of the economy.

**Article 2** The special bonds will be sold to sound state enterprises, collective enterprises, private businesses, financial institutions, various departments and institutions, military units, social organizations; and to management organs of retirement pension funds for staff members and workers at state enterprises and to management organs of unemployment insurance funds.

**Article 3** The total amount of special state bonds is 4.5 billion yuan.

**Article 4** The principal of special state bonds, bearing an interest of 15 percent, will be paid in five years from the date of purchase. The interest, to be paid at the same time, will not be compounded.

**Article 5** The Ministry of Finance will oversee the task of purchase of bonds of central and military units, provinces, autonomous regions, municipalities, and cities with independent economic decisionmaking authority.

People's governments of provinces, autonomous regions, municipalities, and cities with independent economic decisionmaking authority will oversee the task of bond purchase of local units.

Units must fulfil the task of purchase of bonds on time.

**Article 6** The special state bonds will be issued from 10 June to 30 November.

**Article 7** Sale of special state bonds will be in the form of a certificate. Local financial departments will be responsible for the matter of bond sale, as well as for the principal and interest payment.

Bearer's name may be entered in the certificate of special state bonds; bearers may report the loss of certificates; the certificate may not be used as paper currency.



**Article 8** Special state bonds, except for those sold to management organs of retirement pension funds for staff members and workers at state enterprises and for those sold to management organs of unemployment insurance funds, may be used as a mortgage for bank loans.

**Article 9** Interest yielded from the purchase of special state bonds is exempt from income tax.

**Article 10** The Ministry of Finance will be responsible for the interpretation of these regulations. The Ministry of Finance will formulate the implement methods of these regulations.

**Article 11** These regulations come into force upon issuance.

### **Misappropriation of Public Funds Remains Problem**

OW1406004090 Beijing XINHUA in English  
1522 GMT 13 Jun 90

[Text] Beijing, June 13 (XINHUA)—The Central Commission for Discipline Inspection of the Communist Party of China (CPC) issued a circular on Tuesday, announcing the outcome of five typical cases involving the misappropriation of public property and funds to build and refurbish private residences.

The seven party officials involved in the five cases were either given prison sentences or expelled from the party.

Cao Shuhua, deputy chief of the Nanyue District of Hunan Province, embezzled 170,000 yuan by selling and letting two buildings built with public funds. He was sentenced to seven years' imprisonment and expelled from the party.

Wang Qinghai, deputy chief of the Shenyang Municipal Farm Machinery and Automobile Industrial Bureau, spent 56,000 yuan of public funds to refurbish his private residence. The municipal party committee has expelled him from the party and confiscated the house and its contents.

According to the circular, similar cases exist in many parts of the country and remain one of the most loathsome social phenomena. These cases infringed upon the interests of the state, collective and people and besmirched the reputation of the party and the government, the circular notes.

The circular urges party committees at all levels to implement the document adopted at the sixth plenum of the 13th party Central Committee, severely punish those who violate party discipline to build private houses with public funds and double efforts to build a clean and honest government.

## **Military**

### **Commentator on Officer-Soldier Relations**

HK1306091390 Beijing JIEFANGJUN BAO in Chinese  
1 Jun 90 p 1

[Commentator's article: "An Important Duty of Leading Bodies"]

[Text] Forming close ties between officers and soldiers is not only the responsibility of grass-roots cadres and soldiers, but is also the duty of leading bodies. Today this newspaper has published a report on how a party committee and offices in the Nanjing Military Region pay attention to forming close ties between officers and soldiers. This report has enlightened us as follows:

Needless to say, grass-roots cadres and soldiers are direct performers in building good relations between officers and soldiers. Whereas, the quality of grass-roots cadres, their sense of responsibility for the revolutionary cause, whether their attitude toward soldiers is correct, whether their management methods are proper, and whether soldiers respect cadres and follow their management, all portray the work quality of leading bodies. A host of facts has proved that the achievements of all units in building close relations between officers and soldiers are the results of education and training provided by party committees and offices. These are also the results of discovering contradictions between officers and soldiers and of constantly improving grass-roots cadres' ability to help and foster soldiers. Therefore, all party committees and leading bodies should show their fullest responsibility for forming good ties between officers and soldiers.

Strengthening unity between officers and soldiers should be taken as a regular job in army building. In strengthening unity between officers and soldiers, we should not make strenuous efforts one moment and slacken our efforts the next; we should not exert ourselves only when the higher authorities stress the necessity to do so. Instead we should put this work into the orbit of implementing the "summary" and "program" and of strengthening political construction and overall construction at the grass-roots level. Education and examination should be carried out regularly so as to form a system. Tendencies that affect the relations between officers and soldiers should be promptly corrected as soon as they are discovered. In particular, when new recruits are coming and demobilized soldiers are leaving or when performing major missions, leaders should go to grass-roots units and do a meticulous job in forming close ties between officers and soldiers. There is a need to regularly sum up experience in strengthening unity between officers and soldiers, so as to propagate typical examples and create an excellent atmosphere and environment in which officers and soldiers are united as one.

Respecting soldiers and cherishing love for them should be taken as an important component in educating and training cadres. Now grass-roots cadres are generally newcomers and some comrades do not understand much

about the Chinese Armed Forces' fine tradition of respecting cadres and cherishing love for soldiers, and also lack practical experience in guiding soldiers. Therefore, correcting their fundamental attitude toward soldiers should be taken as an important component in educating cadres, so that they will be able to correctly handle problems emerging in the relations between officers and soldiers, to treat soldiers with parental feelings, and to form a combination between strict demand and patient persuasion. All leaders should have a clear idea of this: A cadre is not a good cadre if he does not show concern for soldiers, no matter how good he is in other aspects.

The unity between officers and soldiers should be taken as an important criterion for judging the quality of leaders' work and style. The relations between officers and soldiers are the comprehensive reflections of political education, regular ideological work, administrative management, logistics supply work, as well as leading bodies' mental status, ideological style, and sense to serve soldiers. Therefore the quality of a unit's work should be judged from the relations and unity between its officers and soldiers, apart from its fulfillment of tasks. Leaders of an armed unit, particularly those at the divisional, brigade, and regimental levels, should set strict demands for themselves and do their jobs well.

China's Armed Forces have gained rich experience in strengthening unity between officers and soldiers. The Military Commission and headquarters have worked out many new regulations in light of new historical conditions. The problem now is to seriously put these into effect. In this regard, grass-roots cadres should make efforts to do their work well and leading bodies should undertake a heavier responsibility. Unity between officers and soldiers will reach a new height as long as leading bodies ensure the implementation of all regulations and requirements in grass-roots units and among cadres and soldiers.

### Local War, Weaponry Development Viewed

HK1406084090 Beijing JIEFANGJUN BAO in Chinese  
1 Jun 90 p 3

[Article by Zhang Taiheng (1728 1132 1854): "Local War, and Development of Weapons and Equipment"]

[Text] 1. Since World War II, no confrontation has broken out on a global scale for many restrictive reasons, but there have been incessant local wars. Statistics compiled by a research institute show that 160 local wars have been fought in nearly half a century. Local wars, which are different from world wars, have characteristic requirements for weaponry; and modern science and technology, which is developing with each passing day, provides such wars with new means.

Military conflicts throughout the world over the last few years show interaction between local wars and development in weaponry, bringing about fresh changes in the military field.

The local war features a short time period, limited space, and contingency, with the result being determined in a single battle, so it admits no mistakes. Given a limited scope, the trial of strength mainly finds expression in the trial of technology, which has greater and greater direct impact on the outcome of the war. The local war calls for quality and sophisticated weaponry so that the capacity to control the battle will be enhanced. The war between England and Argentina over the Falkland Islands in 1982, the attack on Libya by the United States in 1986, and the invasion of Panama by U.S. troops in 1989, indicate that the victors benefited a lot from their superiority in technological level and military equipment.

The fact that the local war is fought in a limited time and space and with sophisticated weapons has increasingly made the battlefield where local wars are waged a testing ground for new weapons. As we know, in the past the warring parties attacked each other with all their might, using all violent means available until they brought the enemy to their knees. But the local war, which avoids going to extremes, is more often than not fought with low intensity. To attain a certain objective in waging a local war, all developed countries and some Third World countries with comparatively great military strength, without exception, pin their hopes on various sophisticated weapons. The most advanced planes, submarines, tanks, guns, and guided missiles, and the most advanced technological inventions such as lasers and satellites, will be used extensively in different environments and in local wars of different types. It is safe to say that the modern local war represents confrontation between advanced weapons. Whether advanced technology is at your disposal has an important bearing on whether you will have the initiative in the future local war.

2. As two belligerent parties of a local war only try to achieve limited objectives and have to take into account each other's latent capacity and world opinion, they will prevent the war from upgrading and dragging on as far as possible. This sets a stricter demand on weaponry because the party that initiates a local war hopes to win and effectively contain it.

Local wars in the last few years show that future weaponry must possess four qualities:

Highly responsive: The troop's capability to make a quick response depends on great responsiveness of weaponry to a great extent. An increase in the abruptness of the local war denies warring parties enough time to prepare for it. To effectively cope with sudden incidents and ensure victory in the first encounter, the troop's equipment, that directly employed in the battle in particular, must be highly responsive. Facts show that those troops that are slow in making a response always suffer a setback. Take for example the invasion of Lebanon by Israeli troops. The Israeli Air Force totally destroyed anti-aircraft missiles deployed by Syria in Bekaa in six minutes, that is, before Syrian anti-aircraft units could make a response. The United States dispatched 200

airplanes and 20 warships when making a sudden attack on Libya. It only took five hours for the bombers and fighter planes to take off and go into action while the time used in actual bombing was only 12 minutes. The war ended before Libyan planes could make a response.

**Reliable:** High and new technology improves the quality of weaponry, but it also complicates the weaponry, rendering it prone to accidents. The U.S. Air Force's F-111 ultrasonic fighter bombers are the most advanced warplanes in the world, incorporating high technology of all types. When carrying out the air raid on Libya, one out of the 18 F-111 planes had to make an emergency landing with mechanical trouble immediately after they took off; when they reached their destination, five failed to accomplish their mission to drop bombs due to trouble with electronic computers. Therefore, we must attach importance to reliability in developing hi-tech military equipment. At the same, we should improve the Army's quality so that it can correspond with the development in weaponry. Some experts have said that U.S. weaponry is exploited at only two-thirds of its capacity.

**Adaptable:** The greater the adaptability the military equipment has for different battlefields, the greater extent the tactical and technical performances of the equipment can be taken advantage of. Local wars or military conflicts are very likely on China's border areas, while there is a great difference between the south and the north in topography and climate. A certain military equipment that performs rather well under ordinary topographical conditions betrays its shortcomings when it is operated on a tableland with an elevation of 4,000 meters; while others do not suit the needs of operations in bitterly cold areas or mountain or jungly areas in the tropical zone. This requires us to improve adaptability of military equipment for varying battlefield environments in terms of maneuverability, range of fire, accuracy, maintainability, and resistance to cold, in light of future operations.

**Diversity:** As local wars differ in means and direction of operation, military equipment must be provided with diverse tactical and technical functions. Take the tank for example. Straight-line weapons of the tank can only attack individual objects at a short or middle distance rather than collective objects. Its fighting capacity is too small to cope with new compound armored cars. Again, it is easily disturbed by smoke on the ground, proves inefficient in attacking moving armored cars at a distance, and is incapable in coping with fast-moving objects beyond the observer's visual field. This makes it difficult to suit the needs of different battlefields. The requirements for weaponry for future local wars are: It should be convenient for defensive as well as for offensive; usable in tropical mountain and jungle areas, as well as on highlands; operational individually, as well as in combination with other weapons; mobile on land, as well as transportable by air; and exploitable tactically, as well as in the theater of operations.

3. With the change in the situation at home and abroad and progress in science and technology, the work of strengthening our Army militarily has entered a new historical period. Undoubtedly, the work of developing military equipment should accord with the strategical change in guiding ideology for our Army building, and suit the needs of modern local wars. We should fully realize that developing efficient military equipment is an important link in improving our Army's combat effectiveness. We must attach strategical importance to the work and work hard to achieve better results in a comparatively short time and with smaller material consumption.

The quality of military equipment is determined by designers, materialized and guaranteed by manufacturers, and finds expression in operations. Therefore, we should take into account all personnel concerned, including designers, manufacturers, and users, and closely integrate development and manufacture of weaponry with its maintainability so that the weaponry will be fully taken advantage of, facilitate military training, and simplify maintenance. In other words, we must see to it that military equipment is convenient for maintenance while improving its tactical and technical performance, making the two compatible. To economize on military expenditure, it is necessary to study how to increase equipment that is universal, compatible, and combinable; how to improve its effectiveness, mobility, range, and accuracy; and how to reduce its maintenance costs.

At the same time, we should make progress in transforming existing military equipment while trying to make a breakthrough in developing advanced equipment. The development history of military equipment shows that it takes a long time and a lot of money to develop and manufacture a complicated military system. In light of China's existing economic and technical forces, I believe we should devote more resources to research on military equipment but less to the manufacture of it. That is, we should focus on developing a few most-needed advanced weapons and produce them in a small number. We should not store them up until their usability, reliability, and maintainability are certified by different units in different areas. On the other hand, we should attach importance to the transformation of existing weapons, give play to their latent functions, and develop weaponry for particular regions and particular units.

We should uphold the policy of self-reliance at any time in developing military equipment. Even if we have money, we are unlikely to buy advanced equipment for an army several million strong. Naturally, we should not exclude necessary introduction of things foreign, but we should first of all introduce technology and purchase patent rights. Through comparison, analysis, study, and mastery of technology introduced from abroad, we should develop our new equipment that is geared to our characteristic and demands, is more effective, and has more functions. In this way, we can save money, as well as train our technical personnel.



## Economic & Agricultural

### 'Special Measures' To Curb Foreign Tax Evasion

OW1406111790 Beijing XINHUA in English  
1033 GMT 14 Jun 90

[Text] Beijing, June 14 (XINHUA)—China is taking special measures to curb tax evasion by some foreign-funded enterprises, according to the state tax bureau.

The bureau has launched a nationwide fight against tax evasion, which is now regarded as one of its major tasks, a senior official at the bureau said here today.

China has approved the establishment of 23,000 foreign-funded enterprises. The state gives them tax holidays and other types of preferential treatment.

However, the official said, a number of foreign-funded enterprises have sought to evade taxes in spite of these perks.

Some foreign managers even deliberately raise prices of raw material imports and lower charges of exports when dealing with their affiliated companies overseas.

Such behavior not only infringes upon the interests of China but also violates the internationally-recognized principle of fair burden of taxation, the official said.

He said that China will not change its preferential treatment for foreign-funded enterprises, but the crack-down on tax dodgers is also aimed at protecting the interests of those properly managed enterprises.

China has agreements on double taxation with 30 countries; prevention of tax evasion is included in all these agreements;

In the coastal regions of China, where many foreign-funded enterprises are located, tax departments are tightening up their collection methods.

They have been paying more attention to the international market so as to obtain information about prices in time.

In addition, the Chinese trade, customs, tax and other departments will further strengthen their co-operation to prevent tax evasion, the official concluded.

### Progress in Enterprise Annexation Noted

OW1506101790 Beijing XINHUA in English  
0155 GMT 15 Jun 90

[Text] Beijing, June 15 (XINHUA)—China has made progress in enterprise annexation under its current austerity program, the "PEOPLE'S DAILY" reported today [15 Jun].

According to a report from the State Commission for Restructuring the Economy, 2,559 enterprises deemed inefficient were merged into 2,315 enterprises last year,

and 12 enterprise property right exchange centers opened for service in the same year.

The national paper said last year's enterprise annexation work was carried on mainly within the same trades and regions, and amalgamated companies were responsible for repaying debts.

By the end of last year some 6,226 enterprises in 25 provinces, municipalities, autonomous regions and 13 cities enjoying provincial status in planning had annexed 6,966 others. These enterprises have absorbed a total of 8.225 billion yuan (about 1.75 billion U.S. dollars) in liquid capital and helped eliminate 4,095 enterprises, avoiding losses of 522 million yuan.

### Manager Contracts To Stay in State-Owned Firms

HK1406034090 Beijing CHINA DAILY in English  
14 Jun 90 p 1

[By staff reporter Gu Chengwen]

[Text] The central government has decided to keep in place and extend a "managerial contract system" as its principal form of industrial management reform, according to a recent circular of the State Council.

Most of the existing managerial contracts, signed between State-owned enterprises and the government since the system was adopted three years ago, are due to expire this year.

The State Council has called for further perfecting this system by deepening the reforms and improving the businesses' internal management.

Chinese industries started using the contract system in a large scale in 1987. Under the system, the State and enterprises specify their mutual obligations and ways of profit sharing.

So far, over 95 per cent of the State-owned industries are operating under such contracts.

Government officials aid the responsibility contract system has proved to be a more successful form of State management over industries than share holding or leasing.

A State Council circular issued recently says the key point of the economic reform is to continuously tap the potential of industrial enterprises, especially State-owned large and medium sized ones.

These large and medium sized industries, which make up less than two per cent of the country's total in number—not including a huge number of rural industries—produced over 50 per cent of the total industrial output in 1989.

For these businesses, the contracts should include three main points: that the business will guarantee to turn over a fixed amount of their profit to the State, that it will guarantee to update their equipment and technologies to

a certain extent each year; and that the total wage amount will fluctuate along with their economic efficiency.

The circular has called on all local governments and State departments to try their best to help these key industries in terms of funds, energy, raw materials and transportation—which have been the weak links of the national economy in recent years.

Anyone intercepting funds or material allocated to these industries will be punished, the circular states.

The circular has promised power of direct foreign trade to those strong and competitive enterprises or conglomerates.

The former contractors can continue as contractors if they have been successful.

The salary of the contractors will be limited to three times that of the averaged income of the ordinary staff.

According to the circular, the government departments have the responsibility to protect the legal rights of the enterprises. This includes the power to refuse to give out money for unreasonable causes.

On the other hand, enterprises will have to strictly implement the State price policies.

They are not to raise the price of their products or increase the production cost on accounting books at will; nor will they intercept or transfer profits that should be turned over to the State by contracts.

#### Director Talks on Economic Reform for 90's

HK1306084590 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0316 GMT 13 Jun 90

["Ma Hong, director of the State Council Development Research Center, Advances the Orientation of Economic Reform in the 1990's"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 13 June (ZHONGGUO TONGXUN SHE)—Ma Hong, director of the Development Research Center of the State Council, said recently that the major direction of China's economic reform for the 1990's is: First, it will bring into full play the individual regulatory roles of plans and market and integrate them organically. As readjustment is proceeding, market regulation should be larger in proportion.

Second, it is necessary to resolve the problems in the two-tier price system, and gradually increase commodity prices within the extent of plans, and reduce or stabilize their prices outside the extent of plans, through readjustment and relaxation, and through strengthening macro-controlling methods so that the two will tend to be the same, creating a reasonable economic environment for the promotion of fair competition among enterprises.

The proposal Ma Hong put forward regarding China's economic reform for the 1990's also includes: the establishment of a macroeconomic regulatory structure that can ensure both the necessary centralization by the central government, while the initiative of local governments can be stimulated, and that can ensure the balance in total volume while structures can be improved. In the aspect of investment, it is necessary to give more guidance to macro regulation and investment direction. As for the economic relations between the central government and local governments, it is necessary to gradually change the current method by which the central government has to be responsible for the finance of local governments into the tax division system. As far as finance is concerned, it is necessary to strengthen the role of the central bank as one that grants credits and makes currency policies independently under the leadership of the State Council.

—It is necessary to continue with enterprise structural reform, and the contracted responsibility system should gradually develop into the separation of profits and taxes, and the making of contracts after taxation. It is necessary to continue with the enterprise trial points where the share system is practiced with public ownership as the main body on a legal basis.

—It is necessary to deepen the reform in the labor system and distribution system, and to institute the labor market system and social guarantee system emphasizing the "two-way choice." It is necessary to reform the housing system so that it is geared to offer welfare and initially commercialize residential houses.

#### Foreign High-Tech Exchanges Planned

HK1406031990 Beijing CHINA DAILY in English 13 Jun 90 p 1

[By staff reporter Xie Liangjun]

[Text] A senior official said yesterday the Chinese government would step up efforts to promote high-technology co-operation and exchanges with foreign countries.

Deputy Minister Zhu Lilan, of the State Science and Technology Commission, told CHINA DAILY the exchanges would come under the auspices of the so-called 863 Programme, which had progressed well since its inception three years ago.

She said the 863 Programme aimed at closely following international high-tech development in seven specific fields—biotechnology, space, information, laser, automation and energy technology, and advanced new materials.

She said the plan was expected to unearth more "strategic scientists" who had outstanding organizational and policy-making capabilities, and were skilled in economics.

"China is considering enlarging its foreign co-operation and exchanges on hi-tech transfer sector within the decade," Zhu said. She said China faced two markets, domestic and international, when converting its high technology research results into high-value commodities.

The 863 Programme had attracted more than 10,000 Chinese scientists, most of whom were aged 55 or younger, and had worked or studied abroad.

Zhu said the programme had created better conditions for attracting students studying abroad to return home because the State had guaranteed the programme's funding.

The 54-year-old Deputy Minister was director of Chemistry Institute of Chinese Academy of Science before she took the present post in 1986. She studied in the Soviet Union and West Germany.

### Key

Since the 1980s the Chinese government had attached more importance to high technology, now seen as a key to the country's future development, Zhu said.

According to a report in SCIENCE and TECHNOLOGY DAILY, the State has invested 470 million yuan (about \$99.6 million) in the 863 Programme since 1987, although China has encountered financial problems in recent years.

Song Jian, the Minister of the State Science and Technology Commission, said in April that China's economic development depended on science and technology, especially on the application of high and new technology in production.

He said that this decade China should devote major efforts to promote the industrialization of high technology and strive to increase the export portion of high-tech products.

Less than 3 percent of the country's total products for export are involved in high technology, while China has about 3 million scientists and experts engaged in high technology industry.

### More Key Construction Projects Planned

OW1406002290 Beijing XINHUA in English  
1438 GMT 13 Jun 90

[Text] Beijing, June 13 (XINHUA)—Within this year, China plans to increase its coal production capacity by 24 million tons, add eight million kw of power generating capacity, increase its ethylene production capacity by 1.2 million tons and complete 852 kilometers of electrified railway.

A senior official from the key construction department under the State Planning Commission said the construction of 200 key projects is proceeding smoothly.

Within the year, the capacity to produce 2.1 million tons of cold-rolled steel, 4 million tons of hot-rolled steel, 1.3 million tons of high-grade cement, 1.2 million tons of phosphamidon, 520,000 tons of urea, 300,000 tons of synthetic ammonia, 200,000 tons of potassium chloride and one million tons of phosphorus ore will be added.

China's largest coking coal producer, the Gujiao Coal Mine in Shanxi Province, in June and September, will add two large pairs of shafts, designed to turn out four million tons of coking coal a year.

Four ethylene projects—Daqing, Yangzi, Qilu and Shanghai—with combined production capacity of 1.2 million tons, will also go into production this year, increasing China's annual ethylene production capacity to two million tons.

A number of compound fertilizer projects will be completed in Tongling, Dalian, Nanjing, Qinhuaigang, Henan and Qinghai.

Port facilities are also planned for completion in Tianjin, Yingkou, Shanghai, Nanjing, Lianyungang and Yantai, according to the official.

### 69 New Energy-Saving Projects Approved

OW1306211290 Beijing XINHUA in English  
1530 GMT 13 Jun 90

[Text] Beijing, June 13 (XINHUA)—Another group of 69 energy-saving and material-saving projects have been approved by the relevant ministries of the State Council.

Wei Zhenjie, an official of the State Energy Investment Corporation, said 24 of the projects are thermal electric power plants and 10 are cement plants. The rest involve coal, solar energy and wind power.

The projects will require a total investment of 2.29 billion yuan (487 million U.S. dollars). The thermal electric power plants will cost 1.95 billion yuan.

This year, 577 million yuan will be used for capital construction and equipment installation.

Most of the projects are slated for completion this year and next.

When all the power plants are completed, there will be an additional generating capacity of 833,500 kw and an additional annual power supply of 4.2 billion kwh.

Previously the state energy investment corporation had approved a plan to continue the construction of 120 energy-saving and material-saving projects.

### Economic News on Customs, Investment, Power Plant

OW1106132590 Beijing XINHUA in English  
0942 GMT 11 Jun 90

[Text] Beijing, June 11 (XINHUA)—Today's economic news briefs: **Customs Measures**

The Gongbei customs has adopted 10 measures to help foreign-funded enterprises in the Zhuhai Special Economic Zone. The measures include approving imports for bonded factories, exemption and reduction of tariffs for export-oriented foreign-funded enterprises, and speeding up customs procedures in bonded industrial zones or warehouses.

#### Wenzhou Investment Environment

Wenzhou, one of the 14 coastal cities open to the outside world, has built an export-led industrial zone of 264,000 sq m for overseas investors and two 10,000 dwt berths, increased the power supply, transport and telecommunications facilities, cut red tape and improved efficiency to attract overseas investors.

#### Qinshan Nuclear Power Plant

The first-phase project of the Qinshan Nuclear Power Plant has been installed and will undergo a shakedown test next month. The 300,000 kw generating unit will go into operation next March after nine months test and trial operation.

#### Hainan's Financial Sector

Financial industry has expanded rapidly in Hainan Province, the biggest special economic zone in China, since 1987. Bank loans in the province jumped 57 percent in 1988 to 8.676 billion yuan, and increased another 13 percent in 1989 despite the current austerity policy, while deposits increased 56 percent and 13.8 percent in 1988 and 1989, respectively.

#### Domestic Air Travel Facilities Improve

HK1506091190 Beijing WEN ZHAI BAO in Chinese No. 730, 3 Jun 90 p 2

["There Are 97 Civil Airports in China"]

[Text] It is learned that there are now 97 civil airports in China, of which 13 can handle Boeing 747 jumbo passenger planes and 35 can handle Boeing 737 and MD-80 medium-sized planes.

The year 1989 saw the best improvement in domestic air transport facilities since the founding of the people's republic. During the year, 2.1 billion yuan was put into the construction and extension of more than 20 airports. Eight of them have been completed and are ready for use. These are: Taoxian [2711 0103] Airport in Shenyang, Huanghua [7806 5363] Airport in Changsha, Huangshan [7806 1472] Airport in Anhui, Xiangfan [5980 2868] Airport in Hubei, Jiangbei [3068 0554] Airport in Chongqing, Wujiaba [1566 1367 1056] Airport in Kunming, and Qiqihar [7871 7871 0761 1422] and Heihe [7815 3109] Airports in Heilongjiang.

#### Regulations on Rural Collective Enterprises

OW1406070290 Beijing XINHUA Domestic Service in Chinese 0154 GMT 10 Jun 90

[Text] Beijing, 10 Jun (XINHUA)—The Regulations Governing the Rural Collective-Owned Enterprises of the People's Republic of China

##### Chapter I. General Principles

Article 1. These regulations are formulated to protect the legitimate rights and interests of rural collective-owned enterprises and guide their healthy development.

Article 2. The regulations are applicable to enterprises run by township (including town) and village (including villagers' group) peasants collectives.

The regulations are not applicable to agricultural production cooperatives, rural supply and marketing cooperatives, and rural credit cooperatives.

Article 3. Rural collective enterprises are a component part of China's socialist public ownership economy.

The state will implement the principle of offering active support, rational planning, correct guidance, and strengthened management to rural collective enterprises. Article 4. The principal task of rural collective enterprises is to develop commodity production and service trade to satisfy the growing needs of material and cultural life in society, readjust the structure of rural industry and rationally use rural manpower, support agricultural production and rural construction, increase state revenues and peasants' incomes, actively develop export-oriented production, and serve major industries by helping manufacture complete sets of equipment.

Article 5. The state protects the legitimate rights and interests of rural collective enterprises and prohibits any organization or individual from infringing upon their property.

Article 6. Rural collective enterprises act on their own, adopt independent accounting, and assume sole responsibility for their profits or losses.

Rural collective enterprises adopt a multiform management responsibility system.

Rural collective enterprises may attract investments from shareholders on condition that the nature of the enterprises does not change.

Article 7. The state encourages and supports rural collective enterprises in adopting advanced and suitable science and technology and administrative and management methods, thereby speeding up enterprise modernization.

Article 8. The state encourages and protects rural collective enterprises in achieving multiform economic and technical cooperation in accordance with the principle of equality, mutual benefit, voluntary consultation, and payment for equal value.

Article 9. The state encourages and supports rural collective enterprises in exploiting natural resources according to law and in developing, in line with local conditions, industries and products that conform to the



state policy on industry and meet the market demand so as to increase supplies for society.

Article 10. After being examined to meet a set of criteria, and after registration, members of rural collective enterprises will be deemed as having met the qualifications to be legal entities of the enterprise. Plant directors (managers) are legal representatives of enterprises.

Article 11. Staffers and workers of rural collective enterprises have the right to return to the peasants' collective economic organizations to which they belong and engage in agricultural production.

Article 12. The State Council's administrative departments in charge of village and town enterprises should also take charge of rural collective enterprises. Under local people's governments, administrative departments in charge of village and town enterprises should take charge of rural collective enterprises (hereafter referred to as enterprises) in their own administrative areas.

## Chapter II. The Establishment, Change, and Termination of Enterprises

Article 13. To be established, enterprises should meet the following conditions:

- (1) Products and services offered are needed by society and conform to state law, rules, regulations, and policy;
- (2) Enterprises should have their own names, organizations, and locations where production takes place;
- (3) Enterprises should have their delimited scope of production;
- (4) Enterprises should have funds, equipment, personnel, and essential raw and processed materials that suit the needs of production, management, and scope of service;
- (5) Enterprises should have the essential labor sanitation facilities, safety measures for production, and measures for environmental protection;
- (6) Enterprises should follow the local rural construction plan and rationally exploit land.

Article 14. Enterprises to be established must, according to law and rules and regulations, be examined and verified by the township-level people's government and report to departments in charge of village and town enterprises under the county-level people's government and departments concerned, as stipulated by law and regulations for approval. With the related documents of approval, enterprises should register at the administrative organizations in charge of industry and business at places where enterprises are located. Enterprises that are approved and issued a "Business License for Enterprise Corporate" or a "Business License" are permitted to do business. They should also register at tax organizations.

Enterprises should engage in production activities within the scope registered and approved.

Article 15. Enterprises are not permitted to open branches, merge, move away, suspend production, terminate, or change names or the scope of production or business unless they are approved by organizations that approved their establishment before. Enterprises should apply to the local administration for industry, commerce, and tax organization for changing or canceling

registration. The enterprises should also notify banks where their accounts have been opened.

Article 16. Enterprises must protect their property and clean up creditor's rights and liabilities according to law when they open branches, merge, suspend production, or terminate.

Article 17. Enterprises that have gone bankrupt should liquidate. Using the property of enterprises, legal entities should pay off debts to enterprises' creditors.

## Chapter III. Owners and Operators of Enterprises

Article 18. The property of an enterprise belongs to the entire peasants' collective within the scope of the township or village where the enterprise is located. The township or village peasants' congress (meeting of representatives of peasants) or the collective economic organization representing all peasants should exercise the proprietary rights of the property of the enterprise.

The proprietary rights of the property of an enterprise will not change if the enterprise adopts a contract or lease system or runs jointly with enterprises of other ownerships.

Article 19. The owner of an enterprise determines the orientation and form of business according to law and the choice of the plant director (manager), or the method of choosing him. He also determines, according to law, the proportion for specific distribution of after-tax profits between him and the enterprise. He has the right to make resolutions on the enterprise opening branches, merging, moving away, suspending production, terminating operations, and declaring bankruptcy.

The owner of an enterprise should serve the production, supply, and marketing of the enterprise and respect the right of the enterprise to act on its own.

Article 20. Owners of enterprises practicing the contract or leasing system should hire managers through public bidding. Where conditions are not adequate for doing this, the owners should select managers through advertisement or recommendation.

Bidding may be conducted within or without an enterprise. Bidders may be a business group or an individual. The business group that wins the bid must select a manager.

Owners of enterprises should make an overall examination of bidders and then select the best ones.

Article 21. The following qualifications are requirements for managers of enterprises practicing the contract or leasing system:

- (1) They must uphold the four cardinal principles and the reform and open policy and observe discipline and laws;
- (2) They must have the necessary education and possess the necessary specialized technical knowledge;
- (3) They must have the necessary ability to manage enterprises;
- (4) They must provide property guarantee and guarantors;



(5) They must meet other legitimate conditions set by enterprise owners.

Article 22. The manager of an enterprise is its director. The system whereby the director assumes full responsibility will be enforced in enterprises. The director or manager of an enterprise exercises his functions and powers on behalf of the enterprise.

Article 23. When enterprises practicing the contract or leasing system conclude agreements, they uphold the principle of equality, voluntarism, and consultation and take into consideration the interests of the state, the collective, and the individual.

#### Chapter IV. Rights and Obligations of Enterprises

Article 24. In their production and operational activities, enterprises enjoy the following rights:

(1) They have the right to keep and use their own funds and to raise funds in accordance with state regulations;  
(2) After their registration is approved, they arrange their production and operational activities on their own;  
(3) They have the right to decide on international structural establishment and the size of their staff, to hire and discharge staff and workers according to law, and to determine the form of wages and the method of giving out bonuses;

(4) They have the right to market their own products, except those covered by the State Council's relevant regulations;

(5) They have the right to set the prices of their own products and their own labor prices, except those controlled by commodity price departments and relevant administrative departments in accordance with the State Council's regulations;

(6) They have the right to join trade associations and participate in product appraisals on a voluntary basis;

(7) They have the right to bid and invite tenders on a voluntary basis and to apply for permission to manufacture a product;

(8) They have the right to conclude economic contracts and engage in economic and technological cooperation on their own;

(9) They have the right to exploit and utilize natural resources in accordance with the laws;

(10) They have the right to utilize foreign capital, introduce advanced technology and equipment, and engage in external economic activities such as import-export trade in observance of the laws, and retain foreign exchange earnings in accordance with state regulations;

(11) They have the right to reject the irrational imposition of quotas and illegal fines, except financial and material assistance and manpower, which they should provide in accordance with state laws and statutes.

Article 25. Enterprises should fulfill the following obligations when engaging in production and business activities:

(1) Pay taxes according to law;

(2) Deliver funds for support of agriculture and management charges to the state according to state's regulations, and the regulations of the people's governments of provinces, autonomous regions, and municipalities;

(3) Establish sound financial accounting, auditing, and statistical systems according to law, and regularly compile and present financial and statistical reports;

(4) Protect natural resources and the environment; prevent and treat pollution;

(5) Strive to reduce the consumption of raw materials and energy; develop products that are in line with the state's industrial policy;

(6) Do a good job on labor protection work; practice safety production;

(7) Ensure product and service quality;

(8) Fulfill contracts according to law;

(9) Conduct political, ideological, scientific, cultural, technological, and professional ethics education among workers and staff members;

(10) Abide by laws, regulations, policies, and other stipulations.

#### Chapter V. Enterprise Management

[no article number, as received] (Have the right of democratic management of enterprises and the right to criticize and bring charges against plant directors (managers) and other management personnel.) [sentence as received]

The workers congress and workers representative congress of an enterprise have the right to advance opinions and raise suggestions over the management of the enterprise and the right to evaluate and supervise the plant director (manager) and other management personnel, as well as the right to protect the legitimate rights of workers and staff members.

Article 27. Enterprises should take into consideration the interests of the state, collective, and individual; properly arrange the ratio of accumulation and consumption; and adopt the principle of "from each according to his ability, to each according to his work."

Male and female workers should receive equal pay for equal work.

Article 28. Enterprises should sign labor contracts according to law when employing workers and staff members and adopt flexible employment methods.

Teams of specialized technicians should be trained at enterprises requiring high technology.

Article 29. Enterprises should not employ children under the age of 16.

Article 30. Enterprises should, according to state regulations, insure with insurance companies for workers and staff members who engage in highly dangerous work.

Conditions permitting, enterprises should refer relevant state regulations and let workers and staff members enroll in social insurance.

Article 31. Enterprises may refer to and handle labor disputes according to the "Provisional Regulations on Handling Labor Disputes in State-Run Enterprises" when they arise.

Article 32. The portion of after-tax profits reserved for enterprises should not be below 60 percent. Enterprises are free to make use of the profits. Profits may either be

used as development fund to increase production, for technological transformation, for plant expansion, or for an appropriate increase in welfare funds and reward funds.

The portion of after-tax profits for owners of enterprises will be used mainly for supporting agricultural infrastructural construction, agricultural technological services, rural public works, renewal and transformation of enterprises, or for developing new enterprises.

Article 33. Enterprises should, according to relevant state regulations, strengthen various types of basic management and contract management within the enterprise.

#### **Chapter VI. Relations between Enterprises and Relevant Government Departments**

Article 34. According to state laws, regulations, and policies, all levels of people's governments and competent administrative departments of village and township enterprises will strengthen guidance, management, supervision, coordination, and service to enterprises in the following ways:

- (1) Supervise and check on the implementation of the state law, regulations, and policies by enterprises;
- (2) Formulate plans for the development of enterprises; coordinate with relevant departments in formulating plans on the employment of surplus labor in rural areas;
- (3) Coordinate with relevant departments to guide such management work as planning, statistics, finance, auditing, prices, materials, quality, equipment, technology, labor, safety production, and environmental protection in enterprises;
- (4) Arrange and guide technological progress in enterprises and education and training of workers and staff members;
- (5) Provide economic, and technological consultations and information services to enterprises;
- (6) Coordinate relations between enterprises and relevant departments and help enterprises carry out economic and technological cooperation;
- (7) Sum up and promote enterprise development experiences;
- (8) Organize and guide ideological and political education work in enterprises and help promote the building of socialist spiritual civilization in enterprises.

Article 35. All levels of people's governments, and relevant management departments of various trades should, according to the state industrial policy and development plan for various trades, carry out guidance and supervision on the development orientation of enterprises, conduct technological guidance and personnel-training, offer technological information services, and guide, help, and supervise enterprises in carrying out labor protection and environmental protection work.

Article 36. The relevant government departments should create development conditions for enterprises that follow state industrial policy and show good economic and social results:

(1) Planning, material, and financial departments should help enterprises secure the supply of energy, raw materials, and capital needed by enterprises. Departments that order the production of products that fall under the state's mandatory plan will be responsible for arranging the supply of energy and raw materials that are needed to produce such products;

(2) According to relevant state stipulations, support and assistance in the area of credit, energy, raw materials, and transport should be given to enterprises that produce high-quality goods and products that earn foreign exchange;

(3) Conditions should be created for enterprises in training, recruiting specialized technological personnel, and introducing advanced technologies.

#### **Chapter VII. Reward and Punishment**

Article 37. The people's government will give awards to enterprises and individuals for remarkable achievements in management, scientific and technological progress, labor protection, environmental protection, or ideological and political work.

Article 38. When the quality of products produced by an enterprise is not up to the standards set by the state, the collective owning the enterprise and the government department in charge should instruct the enterprise to improve within a definite period of time. If the enterprise fails to improve, it should be ordered to stop producing the inferior products or to switch to the production of other products. If the order is not followed, a suggestion should be made to the department concerned to revoke the enterprise's production permit and business license.

If any substandard products produced and sold by an enterprise, as pointed out in the preceding paragraph, cause economic losses or personal harms to users or consumers, the enterprise will bear the responsibility for compensation. If the misdeed is criminal, the enterprise will be dealt with according to law.

Article 39. If the director (manager) of an enterprise seriously violates the legitimate rights and interests of workers and staff members, the collective owning the enterprise should take administrative disciplinary action against him. If his act is criminal, he will be dealt with according to law for the crime.

Article 40. If any organizations or individuals apportion financial or material burdens to an enterprise, the enterprise may lodge complaints with auditing organs or with other departments concerned. After confirming the apportionment, the auditing organ should request the apportioners to stop the apportionment and return to the enterprise within a definite time what they have obtained from it. The supervisory organ or the department in charge concerned may take disciplinary actions against responsible persons and the persons directly involved of the apportioning organization according to the seriousness of the case.

Article 41. If a member of a government department neglects his duty or abuses his authority and hurts the

legitimate rights and interests of an enterprise, his organization or the higher-level authorities should take disciplinary actions against him. If his act is criminal, he will be dealt with according to law for the crime.

Article 42. An enterprise will be dealt with according to relevant law or regulations if it violates financial, taxation, labor, industrial and commercial administration, price, resource or environmental protection laws or regulations.

#### Chapter VIII. Supplementary Articles

Article 43. The State Council's department in charge of village and town enterprises will be responsible for the interpretation of these regulations, and will organize their implementation.

Article 44. Provincial, autonomous regional, and municipal people's governments may formulate their own implementing procedures based on these regulations.

Article 45. These regulations come into force on 1 July 1990.

#### Cadres Visit Grass Roots To Perform Rural Work

HK1306153290 Beijing RENMIN RIBAO in Chinese  
30 May 90 pp 1, 2

[Report by Luo Shi (7482 4258): "Close to One Million Cadres Work at Grass Roots"]

[Text] Beijing, 29 May (RENMIN RIBAO)—According to incomplete statistics, since early this year 970,000 party and government organ cadres from the central to local levels, headed by leading comrades, in work groups or research groups and taking the forms of assuming office at grass roots or making on-the-spot decisions, have gone deep among grass-roots units such as rural areas, factories, neighborhoods, and schools. There they listened with full attention to the opinion, suggestions, and criticism of the masses, enthusiastically propagated party and government direction and policy, vigorously strengthened ideological education, and made real efforts to do good and practical jobs for the people. The masses praised: We have again witnessed the party's good tradition.

—Calm, unity, and social stability are matters of extreme concern to the masses. Comrades who participated in grass-roots trips all did their best to study people's conditions and found that the one wish shared by millions of masses was overriding stability. To this end, they did an enormous amount of work to safeguard grass-roots stability and eliminated unstable factors. The Communist Youth League's Central Committee dispatched, in two batches, 19 work groups headed by eight secretaries and 11 department heads to rural areas, factories, neighborhoods, and schools of 22 provinces, regions, and cities. There the groups held report rallies and seminars, laid bare facts, set forth arguments, and actively propagated the spirits of the party's Fourth, Fifth and Sixth Plenary Sessions of the 13th Central Committee; propagated the enormous achievements following the Third Plenary Session of the 11th Central

Committee; made clear the great significance of the "one center, two basic points" and the necessity and correctness of the range of important decisions by the party central authorities, State Council, and Central Military Commission to halt the turmoil and quell the counter-revolutionary rebellion; made great efforts to help youths raise ideological understanding and tell truth from false; and further strengthened youths' understanding and trust in the party and government. All these have played a positive role for promoting social stability. Cadres who went down to Xuchang, Sanmenxia, and Pingdingshan cities in Henan actively assisted villages with ideological work, building and improving village rules, handled civil disputes and investigated long-drawn out cases, banned gambling, and broke feudal superstitions. All these have effectively improved the rural security situation.

—Aimed against some peasants' fear of "policy change," rural-visiting comrades launched extensive education in situations, which has further stabilized the general mood. After the peasants in Ganzhou Prefecture, Jiangxi, listened to the rural policy explained by comrades who went to the grass roots, there appeared a good trend in this year's spring farming and preparation work of "many areas of hybrid early season rice, large quantities of seeds, agricultural materials, organic fertilizers and large numbers of peasants participating in technical training." Some of the peasants in Qinghai said: In these last few years, we farmers have had some days of decent livelihood. So we are afraid of a change in policy. But having listened to your lectures, we are assured. We will certainly develop production well.

—Take initiatives to find out difficulties in agricultural production and help actively with ideas and methods to resolve peasants' urgent trouble. Qinzhou City, Guangxi, was short of 100,000 mu of sugarcane shoots. When rural-visiting cadres found out, they immediately reported this to the regional sugar industrial company, and 250,000 kg of sugarcane shoots were transferred to Qinzhou.

—Resolve the difficulties and worries in people's daily living. A leading comrade in Fengshun County of Guangdong walked over 70 km to an old revolutionary area to do research. There he helped in transporting and installing water pipes, which resolved problems with water supply, which had plagued the area for generations. Comrades of the Civil Affairs Department of Guizhou Province visited disaster-ridden Tongren Prefecture, suffering a drastic production cut. They coordinated closely with local government, made household investigation, organized grain transfers and supply, and thus provided proper arrangements for the starving masses. The leading cadres of Xicheng District, Beijing Municipality, visited and surveyed with staff the Erlonglu neighborhood, and within 25 days they resolved eight cases of concern to the masses.



—Cadres who went to coal mines and factories made efforts to help with production difficulties and placement problems of enterprises in a complete halt or semi-production mode. Large numbers of government cadres from Shanghai industrial departments went to production front lines and launched among workers the "double increase and double reductions" activities to expand markets, boost product sales, increase export and foreign exchange earnings, step up adjustment of production structure and product mix, and reorganize enterprise groups. Aimed against problems such as the production "slide" in some enterprises and worker's anxiety, leading cadres of Sanmen City, with comrades from concerned departments, visited 20 or so large- and medium-scale enterprises to tackle problems on the spot, and resolved the "triangular debt" for eight enterprises and restored production in enterprises across the city that had been in complete or semi-production halt.

To ensure that cadres worked in a down-to-earth manner in rural areas, and that such visits bear fruits, many local leaders have strengthened the management and education, and supervision and inspection, on low-level cadres. Localities and organs under direct provincial authorities in Hebei Province are all pursuing the "four compulsory" assessments: the setting of compulsory missions, targets, responsibility, and implementation methods. Changchun City go-to-grass-roots work groups read to grass-roots masses the "10 requirements and 10 prohibitions" demanded by the city party committee and government, and voluntarily asked the masses to supervise its enforcement, and thus ideologically and organizationally ensured a wholehearted service for the people by cadres who had gone to the grass roots. In some provinces and regions, cadre rural visits have been regularized into a system so that going to the grass roots and doing practical jobs can be adhered to on a long-term basis.

#### Land Use Tax Proceeds Go to Agriculture

OW1506105390 Beijing XINHUA in English  
0538 GMT 15 Jun 90

[Text] Beijing, June 15 (XINHUA)—China collected 4.6 billion yuan in land occupation tax from the time the new tax came into force April 1, 1987 to the end of 1989, and this money was invested in comprehensive agricultural development, the "PEOPLE'S DAILY" reported today [15 June].

Addressing a national meeting Thursday, State Councillor Chen Junsheng said that comprehensive agricultural development has played a key role in boosting grain production.

In 1988 and 1989 China improved 2.09 million ha of farmland, expanded the irrigated area by 384,000 ha and increased grain output by 2.5 billion kg.

#### Wan Li Notes Importance of Afforestation

OW1306184290 Beijing XINHUA in English  
1135 GMT 13 Jun 90

[Text] Beijing, June 13 (XINHUA)—Wan Li, chairman of the Standing Committee of China's National People's Congress, called for joint efforts to increase national awareness of the importance of afforestation at the second meeting of the board of directors of the Green China Fund here today [13 Jun].

Wan, honorary chairman of the fund, said afforestation is vital to the environment and further improvement will benefit future generations of the Chinese nation as well as the world.

The board was meeting to discuss the work of the fund over the past few years, future plans and the fund's charter.

#### More Afforestation Urged

OW1306123090 Beijing XINHUA in English  
1151 GMT 13 Jun 90

[Text] Beijing, June 13 (XINHUA)—Vice Premier Tian Jiyun called here today [13 June] for a growing investment of national resources to hasten afforestation and improve the environment.

Tian made the remarks in a speech read by Forestry Minister Gao Dezhan at a meeting of the Green China Fund.

In his speech, Tian said afforestation is a national project that concerns the country's construction as well as the future of the whole Chinese nation.

Despite progress in the past few years, Tian warned, China still suffers from a lack of forest resources, and its environment is still deteriorating. Erosion, desertification, floods and pasture degeneration have not yet been brought under effective control, he said.

To speed up the effort, Tian said contributions from the whole society and throughout the world are needed. He said donations will be exempted from taxation and honored with memorial forests or monuments.

Describing afforestation as a common cause for mankind worldwide, Tian urged various organizations to engage in international cooperation and seek better ways to protect the planet.



## East Region

### Anhui Province Procuratorial Work Report

OW1506043790 Hefei ANHUI RIBAO in Chinese  
29 Apr 90 pp 3,4

["Excerpts" of the Anhui Provincial People's Procuratorate Work Report made by Feng Jianhua, chief procurator of the Anhui Provincial People's Procuratorate, to the third session of the seventh Anhui Provincial People's Congress on 21 April 1990]

[Text] In 1989, people's procuratorates at all levels in our province conducted all-around procuratorial work under the guidance of the provincial party committee and the Supreme People's Procuratorate, and under the supervision of the Standing Committee of the provincial People's Congress. They seriously implemented the guidelines of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee and of the national chief procurators work conference, consciously focused their attention on the party's central tasks, and closely attended to the two important tasks, namely, struggling against graft and bribery and dealing severe blows to serious criminal offences. They conscientiously carried out their responsibilities in exercising supervision by means of laws and completed the various assignments related to procuratorial work.

#### I. Breakthroughs in the Progress in Campaigning Against Graft and Bribery

In 1989, procuratorial organs in our province regarded the campaign against graft and bribery as the focal point in their procuratorial work. By providing stronger guidance, concentrating all efforts, and adopting effective measures, the campaign against graft and bribery continued to reach every corner and remarkable progress was made. Procuratorial organs all over the province received and handled a total of 5,212 different cases of economic crimes. They placed 2,776 cases on file pending investigation, of which 606 were important and major ones. They indicted according to the law 870 people involved in 713 cases, and dropped charges against 1,409 people involved in 1,147 cases. All these saved the state more than 27.95 million yuan. Among those cases that involved economic crimes and that were put on file pending investigation, 2,015 cases, which accounted for 72.6 percent, were those involving graft and bribery. Among the 2,015 cases, 399 were important and major ones, accounting for 19.8 percent. In our fight against crimes involving graft and bribery, we mainly have carried out work in six aspects:

1. We have deepened understanding, achieved unity in our thoughts, and clearly identified the focus of our work. In 1989, in accordance with the request of the Supreme People's Procuratorate, we listed the campaign against graft and bribery as the top priority job of procuratorial organs in their fight against economic crimes.

2. We have strengthened leadership, changed our style, and focused all efforts on investigating and dealing with major cases. According to incomplete statistics, 318 chief procurators and their deputies in our province were involved personally in handling last year's cases, accounting for more than 85 percent of the number of chief procurators and deputies in the province. The provincial procuratorate and its branches, together with city procuratorates, have mobilized large numbers of cadres to reach out to grass-roots levels to give assistance in handling cases. Procuratorial organs at all levels have focused their efforts on investigating and dealing with a number of important and major cases.

3. We have publicized actively and implemented the circular of the Supreme People's Court and procuratorate and stimulated an upsurge in campaigning against graft and bribery. Last August, the Supreme People's Court and the Supreme People's Procuratorate jointly issued the "Circular on Criminals Guilty of Graft, Bribery, and Speculation Who Must Surrender Themselves Within a Specified Time Limit." After that, procuratorial organs all over the province promptly organized cadres and policemen to study the circular to master its guidelines. They widely publicize and implement the circular. As a result, many economic criminals involved in graft and bribery have surrendered themselves voluntarily. From 15 August to 31 October, a total of 1,525 people involved in graft, bribery, and other criminal activities surrendered themselves to procuratorial organs throughout the province. They confessed to embezzlement of more than 13.8 million yuan, and returned embezzled money and spoils worth more than 9.02 million yuan.

Procuratorial organs at all levels seriously investigated and verified the criminals who voluntarily surrendered themselves and confessed, and treated them according to policy. Up to the end of March 1990, the province decided not to prosecute 485 criminals who voluntarily surrendered themselves and confessed, either because their offenses were minor, or because they made some contributions though their offenses were quite serious. After prosecution, we recommended to the people's courts lenient punishment on 57 criminals who committed serious crimes but who voluntarily surrendered themselves to the authorities. We resolutely applied severe penalties according to law to 153 criminals who refused to confess or tried to deceive us by admitting minor charges while keeping silent on major ones.

4. We strengthened the people's informing work, and mobilized and depended upon the people to fight against the crimes of corruption and bribery. During the past year, procuratorial organs in Anhui received from the public over 31,000 reports. Of these, 13,000, or 43.6 percent were about corruption and bribery.

5. We strengthened our work on investigations and increased our capability of solving cases.

6. We paid attention to overcoming the mentality of merely handling cases, and conscientiously formed the concept of serving economic development. While investigating and handling corruption and bribery crimes, procuratorial organs at all levels also accepted and heard 1,518 criminal cases on embezzling public funds, tax evasion, refusal to pay taxes, illegal use of trade marks, and other crimes. Of those cases, 761 were filed for investigation and prosecution.

## **II. Ensuring Speedy Trials and Harsh Verdicts According to Law To Deal Severe Blows at Serious Criminals and Maintain Social Stability**

The political disturbances and counterrevolutionary rebellion at the turn of spring and summer last year were a serious class struggle. In the course of stopping the disturbances and quelling the counterrevolutionary rebellion in areas of Beijing, procuratorial cadres and police in the province, with a firm and clearcut stand, actively participated in the struggle which had a bearing on the future and the destiny of the party and the country. They faithfully carried out the duties of the state organ of legal supervision, upheld the dignity of the state constitution and law, and defended the CPC leadership, the socialist system, and the people's republic.

Since the beginning of last year, social public order of most localities in Anhui had been basically stable. However, there were a number of potentially unstable factors, and the public order situation was still quite severe. Serious criminal cases such as killings, robberies, rapes, thefts, abducting and selling people, and other crimes increased drastically. To safeguard social stability, procuratorial organs at all levels continued to implement the policy of holding speedy trials and bringing in harsh verdicts according to law, and dealt severe blows to serious criminal activities. They approved the arrest of 21,920 persons on various criminal charges, including 4,751 on felony or serious felony charges. They prosecuted 19,218 persons in 11,426 cases of various crimes. In the fight against crimes, procuratorial organs closely cooperated with the public security department, courts, and other departments in actively waging special struggles to deal with conspicuous public order problems.

Procuratorial organs at all levels have strengthened procuratorial work in prisons and detention houses.

## **III. Investigation and Prosecution of Cases of Citizen's Democratic Rights Infringement and Personal Rights Infringement in Accordance With the Laws and Protection of the People's Legal Rights**

The earnest investigation and handling of cases of infringing upon citizen's democratic and personal rights and dereliction of duty has a significant impact on the establishment of socialist democracy and the legal system, the punishment of corrupt practices, and the promotion of clean government. In 1989, procuratorial organs in Anhui took the investigation and handling of cases of "rights infringement," dereliction of duty, and other violations of law and discipline as an important

task. Last year, they handled a total of 1,560 law and discipline cases of various categories, placed 433 cases on file for investigation and prosecution, of which 61 were major important cases. They focused on investigating citizen's democratic rights and on personal rights infringement cases—such as extorting confessions by torture, illegal detention, vindictive retaliations, and frame-ups—and cases of public servants practicing favoritism, neglecting duties, and causing serious accidents by neglecting responsibility that have caused vast economic losses to the country and collectives.

Procuratorial organs at all levels improved investigation work on complaints and petitions. They handled 47,027 such cases filed by citizens, an increase of 63.2 percent over 1988.

## **IV. Supervision Over Investigation, Trial, and Execution of Judgement To Ensure Proper Enforcement of the Laws.**

In the past year, procuratorial organs in the province earnestly fulfilled their law enforcement supervision responsibility, and actively supervised the work of investigation, trial, and execution of judgement. In the course of carrying out law enforcement supervision work in 1989, the province's procuratorial organs decided to arrest 492 and prosecute 110 criminals who were not arrested by public security organs and prosecuted as they should have been. Procuratorial organs also decided not to arrest 1,381 and prosecute 138 individuals who were wrongly requested by the public security organs to be arrested and prosecuted. In addition, protests were made in accordance with the law against 71 wrong judgements of the court.

Adherence to the laws and strict enforcement of the laws is an important principle of our legal system. For the purpose of ensuring the earnest enforcement of laws, increasing cadre and police awareness of the legal system, and improving their law enforcement standards, the provincial procuratorate has made arrangements for all procuratorial organs in the province to inspect the 1989 law enforcement situation within the first quarter of the year. Problems uncovered in the course of inspection should be earnestly rectified to maintain the dignity of the laws.

## **V. The Building of Procuratorial Force Was Strengthened and Emphasis Was Put on Ideological and Political Work**

Procuratorial organs at all levels organized cadres and policemen to study conscientiously the guidelines of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee. Adhering to "one central task and two basic points," they educated cadres and police in the current situation and patriotism, in hard struggle, and in work ethics and discipline. They unified the understanding of the cadres and police, especially the leading cadres of procuratorates at all levels, with respect to the current political and economic situation, and the task of

improving the economic environment, rectifying economic order, and deepening reforms. This has increased the political awareness and sense of job responsibility among cadres and police, boosted their self-confidence, and enhanced their vigor.

Procuratorial organs at all levels, adhering to the principle of "being strict with procuratorial personnel," seriously investigated and handled law and discipline violation problems concerning a small number of individuals who departed from the correct stand during the turmoil and committed political errors, and a small number of cadres and police who demanded bribes, accepted bribes, practiced favoritism, and perverted the laws.

In the meantime, attention was paid to studying and solving new problems that cropped up in the course of procuratorial work and the building of the procuratorial force, and to doing regular ideological and political work.

Procuratorial organs at all levels also paid special attention to cadre education and training work.

Last year, procuratorial organs in the province, in carrying out their procuratorial duties, voluntarily accepted the leadership of party committees and the supervision of the people's congresses, reported important matters to them, asked for their instruction, and actively solicited support and assistance from governments of all levels.

In 1989 procuratorial organs throughout the province made remarkable progress but also had many shortcomings and problems. These shortcomings and problems should be seriously investigated and effective measures should be taken seriously to overcome them.

This year is the first year of the 1990's, and a crucial year for the task of improving the economic environment, rectifying economic order, and deepening reform. The general guidelines for procuratorial work in 1989 [as published] were: To implement seriously the spirit of the fourth, fifth, and sixth plenary sessions of the 13th party Central Committee; to exercise fully the functions of legal supervision and severely punish corruption and bribery offenders; and to deal severe blows to serious crimes to maintain normal economic and social order; ensure a smooth proceeding of the task of improving the economic environment, rectifying economic order, and deepening reform; secure a sustained, stable, and coordinated national economic development; and make new contributions to social stability and national security. Acting on these general guidelines, procuratorial organs at various levels must pay great attention to two major tasks—eliminating graft and bribery and cracking down on serious criminal offenses—to promote procuratorial work in other fields.

The struggle against corruption and bribery is a protracted and regular one. Presently, we should pay close attention to the following aspects: 1) We must accelerate the handling of cases involving those who voluntarily

surrendered themselves within the time limit set by the circular issued by the Supreme People's Court and the Supreme People's Procuratorate. 2) we must further improve our work in obtaining reports from the public, and conscientiously investigate reported cases. 3) we must concentrate our efforts on major and important cases. 4) we must intensify our investigation work and constantly improve the investigative techniques and enhance our investigation ability. 5) we must step up further the publicity of the struggle against graft and bribery. 6) we must continue to adhere to the principle of "being resolute, prudent, and accurate," and act strictly according to law.

Cracking down of serious crimes is a priority of procuratorial work. We constantly must keep an alert mind, closely follow social trends, and constantly analyze the public order situation. We must continue to adhere to the principle of ensuring speedy trials and harsh verdicts according to law, and do a timely, good job in approving arrests and prosecution. The procuratorial organs should work under the unified leadership of party committees of various levels and closely and actively cooperate with public security departments and the courts in a unified action to crack down on activities of serious crimes.

It is necessary to do a good job in law and discipline inspection and other procuratorial work, place law and discipline inspection as an important item on the daily agenda, and earnestly strengthen leadership over it. It is necessary to concentrate on cracking down on major cases and strive for a breakthrough in the law and discipline inspection work this year.

It is necessary to strengthen the building of the procuratorial force, constantly improve cadres and police politically and vocationally, pay more attention to ensuring ethical integrity in procuratorial organs, adhere to a mass line, and keep close contacts with the masses.

#### **Jiangxi Emphasizes Party Construction in Colleges**

*OW1506045390 Beijing XINHUA Domestic Service  
in Chinese 0708 GMT 11 Jun 90*

[By reporters Wang Zaoxiong of GUANGMING RIBAO and Xiong Dianda of XINHUA]

[Text] Nanchang, 11 Jun (XINHUA)—A system in which provincial party leaders link themselves to institutions of higher learning was established in Jiangxi Province recently. The Jiangxi Agricultural University, the Jiangxi University, the Jiangxi Teachers University, and the Jiangxi Industrial University have respectively become schools with which provincial party Secretary Mao Zhiyong and deputy secretaries Wu Guangzheng and Jiang Zhuping should establish personal contacts.

This system is one of the measures to improve party construction in institutions of higher learning in Jiangxi Province. Recently, improvement and readjustment were made in the leading groups of some colleges and universities in Jiangxi Province. Party and discipline



inspection organs in those schools were streamlined. The number of workers in charge of party affairs was increased to reach a ratio of one percent of the total number of students and faculty. The status and functions of full- and part-time party workers, as well as their work schedule, have been clearly defined.

In addition to establishing this system, the provincial party committee also urged the party and government leaders of all localities and cities, where colleges and universities are located, to enhance their contacts with these schools and study the problems existing in the party construction in timely fashion, so as to do a good job in the party construction in colleges and universities.

### **Jiang Chunyun Attends Theoretical Report Meeting**

SK1306010390 Jinan Shandong Provincial Service  
in Mandarin 2200 GMT 26 May 90

[Excerpts] On the afternoon of 26 May at the auditorium of the Nanjiao Guesthouse, the Shandong Provincial CPC Committee sponsored the fourth report meeting on the theories of inheriting and carrying forward the party's fine tradition.

Attending the report meeting were leading comrades, including Jiang Chunyun, secretary of the provincial party committee; Ma Zhongchen, deputy secretary of the provincial party committee; and Li Zhen, chairman of the provincial People's Congress Standing Committee; and cadres from the provincial level organs at or above the section level—a total of more than 700 persons.

Miao Fenglin, member of the provincial party Standing Committee and director of the Propaganda Department, presided over the report meeting, at which, Gao Keting, veteran comrade of the provincial level organs, made a theoretical report entitled "Study the Party's History To Carry Forward the Glorious Tradition." [passage omitted]

In concluding the report meeting, Comrade Miao Fenglin delivered a speech in which he urged the broad masses of party members and cadres to integrate the work of inheriting and carrying forward the party's fine tradition with that of deeply studying and implementing the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, to set examples in improving the work style, to do a good job in conducting various work in a down-to-earth manner, and to continuously push forward the province's undertakings of building socialism and conducting reforms.

### **Drive Improves Shandong Industrial Growth**

OW1306053090 Beijing XINHUA in English  
0807 GMT 12 Jun 90

[Text] Jinan, June 12 (XINHUA)—The growth of industrial production in Shandong, a major industrial province in east China, has recovered its speed as result of the drive to improve the economic environment and rectify economic order.

In May the industrial enterprises in the province had produced a value of 9.98 billion yuan (about two billion U.S. dollars), a 11.5 percent increase over the same month last year.

This year the province plans to increase its total industrial output by eight percent over last year.

Sluggish markets slowed down the growth of industry in January and February in Shandong—January's growth was only 0.1 percent over that of last year, the lowest rate in history.

Economic experts held that that was an inevitable phenomenon of the current austerity program. Production, they predicted, will gradually return to normal if the current drive to improve the economic environment and rectify the economic order proceeds smoothly.

The provincial industrial output reached 9.18 billion yuan in March, and 9.5 billion yuan in April—respectively 5.5 percent and 7.9 percent increases over the same period last year.

The total industrial output of the province in the last five months was 43.632 billion yuan, a 6.7 percent increase compared with the same period last year.

Shandong is one of the few provinces in the country to have maintained steady industrial growth during the first five months of this year.

This year the provincial government has put stress on adjustment of the industrial structure by supporting the production of 250 products involving the energy, raw materials and farm machinery and supplies industries.

As a consequence, the production of electric power, steel, soda ash and pesticides increased by 11, 17.5, 110 and 39.3 percent over the same period of last year.

On the other hand, the province has made great efforts to upgrade its industrial technology and develop new products to meet the needs of the market.

Various types of labor competition to increase production and reduce wastage have been held in enterprises to explore production potential. Some underemployed workers are willing to do extra work for the factories in difficulties without any extra pay incentive, it has been found.

By the end of May there were only 107 enterprises which had stopped or slowed production, and the number of underemployed came to 10,000 provincewide, 73.3 and 90 percent less, respectively, than in the beginning of this year.

Export-led production has also developed well, especially in coastal open cities like Qingdao, Yantai, Weihai, Rizhao, Weifang and Zibo, which have designated their own open zones for overseas investment. The



inland cities of Jining and Zaozhuang, with rich resources of coal, and others have also developed new export products.

The total export volume of the province was 1.488 billion U.S. dollars-worth in the first five months of this year, 23 percent more than in same period last year.

### Central-South Region

#### Guangxi Holds Meeting on Private House Building

HK1306082290 Nanning Guangxi Regional Service  
in Mandarin 1030 GMT 12 Jun 90

[Text] On 9 June, the Guangxi Regional CPC Committee and the Guangxi Regional People's Government held a joint meeting, which was also attended by leading comrades of the Guangxi Regional CPC Advisory Committee, the Guangxi Regional People's Congress Standing Committee, and the Guangxi Regional Discipline Inspection Committee.

The meeting was mainly held to listen to a work report made by the Guangxi Regional Leading Group in Charge of Work of Investigating Cases of Cadres Illegally Building Private Houses for Themselves.

The meeting also studied a number of specific ways and means aimed at further pushing ahead with the work of investigating cases of cadres illegally building private houses for themselves.

In his work report, the responsible person of the Guangxi Regional Leading Group in Charge of Work of Investigating Cases of Cadres Illegally Building Private Houses for Themselves said that since last August, the Guangxi Regional CPC Committee and the Guangxi Regional People's Government have attached great importance to the work of investigating cases of cadres illegally building private houses for themselves and furthered the campaign aimed at eliminating corruption and promoting the building of a clean government in Guangxi.

The Guangxi Regional CPC Committee and the Guangxi Regional People's Government also jointly issued a "Circular on Conscientiously Investigating Cases of Cadres Illegally Building Private Houses for Themselves" and "Supplementary Circular on Conscientiously Investigating Cases of Cadres Illegally Building Private Houses for Themselves." As a result, Guangxi has achieved initial results in the work of investigating cases of cadres illegally building private houses for themselves. The number of illegally built private houses and the total area of such illegally built private houses have been investigated and made public. Some prefectures and cities of Guangxi have already repaid the amount of public money their cadres had illegally used to build private houses for themselves, handed over some of their illegally built private houses to the proper authorities, and handled a number of cases of cadres illegally building private houses for themselves.

However, as far as the overall situation is concerned, Guangxi's work of investigating cases of cadres illegally building private houses for themselves has proceeded rather slowly. Some prefectures, cities, and counties of Guangxi have failed to pay sufficient attention to the work while some other prefectures, cities, and counties of Guangxi have simply adopted a wait-and-see attitude toward the work. Some people even deliberately resisted the work. In consequence, some serious cases of cadres illegally building private houses for themselves, which have already caused strong resentment among the broad masses of the people, have not yet been dealt with. All these problems must be tackled in the near future.

After listening to the work report, Chen Huiguang, secretary of the Guangxi Regional CPC Committee, Cheng Kejie, deputy secretary of the Guangxi Regional CPC Committee and concurrently chairman of the Guangxi Regional People's Government, Liu Mingzu, deputy secretary of the Guangxi Regional CPC Committee, and some other regional leaders, delivered speeches respectively on how to further step up the work of investigating cases of cadres illegally building private houses for themselves at the meeting.

Responsible persons of the Guangxi Regional CPC Advisory Committee and the Guangxi Regional People's Congress Standing Committee also gave their views on how to strengthen the work of investigating cases of cadres illegally building private houses for themselves.

In their speeches, all the regional leaders laid particular stress on the following aspects:

1. The Guangxi Regional CPC Committee and the Guangxi Regional People's Government are determined to carry on the work of investigating cases of cadres illegally building private houses for themselves through to the end. If the work cannot be finished this year, it will continue to be carried out next year.
2. Leaders at all levels in Guangxi must fully understand the importance and arduousness of the work of investigating cases of cadres illegally building private houses for themselves, unify ideology and understanding on this question, and orient their work to promoting the building of a clean government in Guangxi and to forging closer ties between the CPC and the broad masses of the people.
3. The CPC committees and people's governments at all levels in Guangxi must practically strengthen leadership over the work of investigating cases of cadres illegally building private houses for themselves. The Guangxi Regional CPC Committee decided: 1) Chen Huiguang, secretary of the Guangxi Regional CPC Committee, will personally take charge of the overall work of investigating cases of cadres illegally building private houses for themselves in Guangxi. 2) to reinforce the Guangxi Regional Leading Group in Charge of Work of Investigating Cases of Cadres Illegally Building Private Houses by appointing Liu Mingzu, deputy secretary of the Guangxi Regional CPC Committee, director of the

leading group; Long Chuan and Peng Weikang, deputy directors of the leading group; and Jin Baosheng and Shi Qingsheng, advisors to the leading group. The Guangxi Regional CPC Committee and the Guangxi Regional People's Government called on all prefectures, cities, and counties of Guangxi to correspondingly strengthen leadership over the work of investigating cases of cadres illegally building private houses for themselves and reinforce their personnel contingent involved in the work, called on principal party and government leaders at all levels in Guangxi to personally take charge of the work, and demanded that people's congresses, CPPCC committees, discipline inspection commissions, and supervision departments at all levels in Guangxi closely cooperate and coordinate with one another and implement a responsibility system aimed at promoting the work at all levels;

4. The work of investigating cases of cadres building private houses for themselves must concentrate on investigating cases involving cadres at and above township level, especially cadres at prefectural and provincial department levels and principal party and government leaders at the county level, who have built private houses for themselves by abusing their power. The regional authorities and various local authorities must make redoubled efforts in this regard and strive to achieve some tangible results in the work.

5. It is necessary to conscientiously implement to the letter all the relevant central and regional policies regarding the work of investigating cases of cadres illegally building private houses for themselves and promptly handle such cases and strictly discipline those involved in such cases on the basis of exhaustive investigations. Leniency should be given to those who voluntarily admit their mistakes and repay the public money. Those who refuse to confess their wrongdoings and collaborate with one another in providing false evidences in this regard must be dealt with severely. Those who violate the law must be punished in accordance with the law. It is necessary to increase the transparency of the work so as to enable the broad masses of the people to effectively supervise the work.

#### Henan Expects 'Good' Wheat Harvest

OW1306082890 Beijing XINHUA in English  
0718 GMT 13 Jun 90

[Text] Zhengzhou, June 13 (XINHUA)—Henan, the biggest wheat producer in central China, is expecting a good harvest of wheat from its 4.83 million ha of wheat land this year.

The harvest may be as much as or a little higher than that of last year, which was a record 17.2 billion kg, according to a recent survey.

#### North Region

##### Chen Xitong Attends Meeting on Job Assignments

OW1306142490 Beijing Television Service in Mandarin  
1000 GMT 12 Jun 90

[From the "National News Hookup" program]

[Text] This station reporter has learned from the Beijing meeting on job assignments for college graduates that jobs have been given to 13,000 of the 14,000 college graduates and graduate students whom units under the municipality plan to hire. Beijing has been quick and has done a good job in implementing the work of assigning jobs to college graduates.

In order to do a better job of this year's job assignments, Beijing Mayor Chen Xitong attended the mobilization meeting in Beijing.

Beijing's Personnel Bureau has proposed concrete measures. It has called on relevant units to persist in implementing the plan of assigning jobs for graduate students; making appropriate arrangements for college graduates waiting to be assigned jobs; protecting the rights of female graduates to work; treating equally in job assignment college graduates who have paid their own way through colleges, who have graduated from correspondence colleges, and who have graduated from specialized colleges; and selecting some outstanding college graduates who are not Beijing natives but who have graduated from colleges in Beijing and allowing them to teach in secondary schools in Beijing.

##### Party Building in Beijing Universities

HK1406100590 Beijing GUANGMING RIBAO  
in Chinese 2 Jun 90 p 1

[Report by Li Jiajie (2621 1367 2638): "Institutions of Higher Learning in Beijing Take Effective Measures To Strengthen Party Building"]

[Text] According to information from a relevant department in the Beijing Municipal CPC Committee, the rank of party members in the institutions of higher learning in Beijing have recently undergone remarkable changes in their understanding of many important issues.

The results of the secret questionnaire issued by the working committee of the Beijing Municipal CPC Committee for institutions of higher learning, has shown that the changes are mainly seen as another increase in the number of people in the following categories: Those who are politically in keeping with the party Central Committee; those who express their wholehearted support for the policies and measures now in force; those who maintain China must follow the socialist road; and those who are more eager to see stability.

Said Yin Dongnian, vice secretary of the working committee for institutions of higher learning, "These changes

in the rank of party members in colleges and universities have played an important role in promoting campus stability in Beijing."

According to the information, the changes resulted from the effective measures taken by the institutions to strengthen party building. Since last July, these institutions have given prior concern to a correct understanding of party building and further defined that party organizations on campus are the political nucleus of the party there whose major task is to guarantee the socialist orientation for running the colleges and universities and to turn them into strong fronts for bringing up successors to the proletarian revolutionary cause.

Meanwhile, in order to provide a set of regulations for the party building to go by, the working committee worked out "Regulations for Party Organizational Work in Institutions of Higher Learning (Trial Implementation)" in six chapters and 36 articles. In order to upgrade the theoretical standard in party building, party secretaries in the institutions initiated and formed the Research Society for Party Building in Colleges and Universities in Beijing, which carefully study and answer various questions that arise in practical work. In order to enhance understanding of Marxism-Leninism by party and administrative leading cadres at various levels, serial lectures on Marxism-Leninism have been offered as a popular practice in the institutions. In view of the fact that chief members of party committees on campus are on the old side and there is a lack of successors, a batch of young and middle-aged cadres have been selected and trained to make up for the deficiency.

On the other hand, colleges and universities have paid special attention to the correct handling of party-administrative relations. All those institutions with a party committee-led presidential responsibility system have managed to avoid retreating to the old track of party committee monopoly, and the party committees, on their own initiative, hand administrative work over to presidents. In those institutions where a presidential responsibility system is being trial-implemented, the role of party committees as the political nucleus is strengthened with particular effort so that party building in these institutions is more solid and prudent, and the political consciousness of the rank of party members has scaled a new height.

### Northeast Region

#### Quan Shuren at Rally To Advance 4 May Spirit

SK1006120490 Shenyang LIAONING RIBAO  
in Chinese 4 May 90 p 1

[Excerpts] On the afternoon of 3 May, at the provincial youth palace, the province held a mobilization and commendation rally to "advance the 4 May Movement spirit" and to dedicate the youth to stabilizing the economy of Liaoning.

Present at the rally were some provincial leading comrades, including Quan Shuren, Dai Suli, Wang Guangzhong, Xu Shaofu, Sun Qi, and Wang Wenyuan, and some veteran leaders, including Guo Feng and Li Huang. Li Guozhong, president of the provincial Trade Union Council, and Liu Hairong, chairman of the provincial Women's Federation, attended the rally.

Zhao Guohong, deputy secretary of the provincial Communist Youth League [CYL] committee, presided over the rally. Jin Dong, secretary of the provincial CYL committee, delivered a mobilization report entitled "Advance the Revolutionary Spirit of the 4 May Movement, Define the Historical Mission of the Youth, and Bravely Fight for and Dedicate the Youth to Stabilizing the Economy and Accelerating the Pace of Opening to the Outside World." [passage omitted]

Sun Qi, deputy secretary of the provincial party committee, delivered a speech at the rally entitled "Advance the Spirit of the 4 May Movement and Mobilize All Youth of the Province To Fight Arduously for Promoting the Stability and Development of Liaoning." In his speech, he fully affirmed the positive efforts made by the CYL organizations at various levels to guide the vast number of young people to safeguard the province's political situation characterized by stability and unity, particularly to stabilize the situation of institutions of higher learning and the economy. [passage omitted]

Sun Qi finally pointed out: Party and government departments at various levels should conscientiously implement the guidelines of the instructions of the CPC Central Committee and the provincial party committee on strengthening and improving the party's leadership over the CYL work; and approach from the needs of the times and the high plane of social development, mankind's progress, and the success in the party's undertakings to pay attention to the work of the youth and to show concern with the progress, health, and growth of the youth.

#### Dadong City Elects Party Leading Body

SK1306013190 Shenyang Liaoning Provincial  
Service in Mandarin 2200 GMT 26 May 90

[Text] On 26 May, the participating members at the first plenary session of the Seventh Dadong City CPC Committee elected the city's new party Standing Committee. They elected Wang Wenqian secretary of the city party committee; as well as (Wang Wensheng), (Zhang Shixi), and (Li Zhangde), deputy secretaries of the city party committee. They also elected (Fan Jiming) secretary of the city Discipline Inspection Commission.

### Northwest Region

#### Article Warns Against Danger of Separatism

OW1306060790 Urumqi XINJIANG RIBAO in Chinese  
4 May 90 p 4

[Article by Liu Tongqi (0491 0681 6386): "Why Is National Separatism Regarded As a Major Danger in Xinjiang?"]



[Text] Why is national separatism regarded as a major danger to stability in Xinjiang? Let us take a look at it from the following aspects:

First, national separatism is a trend of reactionary thought in direct opposition to the views advocating the unity of nationalities and the unification of the motherland. It essentially negates the historical fact that Xinjiang is an inalienable part of the motherland's territory; it negates the new type of socialist relations among the working people of various nationalities that are characterized by equality, unity, and mutual assistance; it also negates the party's nationalities policy and the achievements made in implementing this policy in Xinjiang. Although this trend of reactionary thought is only an undercurrent, it is extremely dangerous to Xinjiang's political and social stability because it is directing its spearhead directly at the unity of nationalities in the region.

Second, national separatism has formed and developed in Xinjiang over a fairly long period of time. Its theory, program, and slogans, preached by old and new separatists, have produced a certain influence on society. Furthermore, national separatists at home and abroad have not ceased their sabotage activities against us. Resorting to various means and tactics and adopting overt and covert methods, they are doing their utmost to build up a main force and biding their time to stage a comeback. Therefore, we must have a clear understanding of the influence of national separatism which has existed in Xinjiang for a long time.

Third, the viewpoints and slogans of national separatism are extremely agitating, and people who are unaware of the truth are apt to be deceived by them. Fabricating history and spreading rumors, a handful of national separatists have taken advantage of a lack of historical knowledge and experience by the masses, especially young people, to instigate them to create incidents or disturbances at an opportune time. Ordinary people, who are usually not quite vigilant against such instigation, are apt to be deceived.

Fourth, national separatists are good at using nationalities and religion as their signboards. Thus, their sabotage activities are very deceptive. Raising the religious banner, national separatist forces often use religion to instill separatist ideas in the minds of people in an attempt to make religious and nationalities problems more complicated in Xinjiang.

Fifth, more often than not, national separatists, relying on Xinjiang's special geographical location, collude and echo with certain reactionary forces abroad in order to find a driving force in the latter for their sabotage activities.

We can see from the above that national separatists are sharpening their swords, and we must not lower our guard. The unification of the motherland and the Chinese nation has not come easily, nor have the unity of nationalities and social stability in Xinjiang. We must greatly treasure such unity and stability. Under no circumstances must we allow national separatists sabotage activities to succeed.

### Asian Games-Welcoming Activities Reported

OW1506043590 Urumqi XINJIANG RIBAO in Chinese  
1 May 90 p 1

[Text] In order to promote smooth progress of the work welcoming the Asian Games in our region, a recent chairman's general office meeting held by the autonomous regional people's government decided to set up the "Guiding Committee for Activities Welcoming the Asian Games," drew up plans, and made arrangement for relevant matters.

The autonomous regional guiding committee for activities welcoming the Asian Games was formed by leaders of the autonomous region and the departments concerned. Tomur Dawamat, chairman of the autonomous regional people's government, acted as chairman of the guiding committee. Among those appointed vice chairman of the guiding committee were Keyum Bawudun, Feng Dazhen, Mao Dehua, and Yusufu Aisha. A general office was set up under the guiding committee to take charge of routine daily work.

The meeting called for stepping up the work of propaganda and mobilization to spark the patriotic enthusiasm among the people of all nationalities throughout Xinjiang and make the broad masses of the people understand and support the Asian Games so that they may make active contributions to successfully sponsoring the 11th Asian Games. According to the arrangement by the meeting, a "week-long propaganda activities for welcoming the Asian Games" will be unfolded in all areas throughout Xinjiang from 14 to 20 May; and an "100-day propaganda activities for welcoming the Asian Games" will be launched across Xinjiang, beginning from 14 June. In addition, a relay of the torch of "the light of Asian Games" will be held in the autonomous region from 23 to 27 August, thereby setting off an upsurge of welcoming activities for the Asian Games.



### Article on Taiwan's Mainland Policy

HK1506084690 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 14 Jun 90 p 5

[Article by Bai Liang (4101 5328): "'One Country, Two Governments' and 'Elastic Diplomacy' Hinder the Reunification of the Motherland"]

[Text] Abstract: The Taiwan authorities are pursuing so-called "one country, two governments" on relations between Taiwan and the mainland in an attempt to create a pattern of "one country, two seats" and "double recognition" in the international community and to advance their "elastic diplomacy." This goes completely against the principle of adhering to "one China."

State sovereignty brooks no division. The Taiwan authorities disregard the world-acknowledged fact that the PRC Government is the sole legal government that represents the Chinese people, and attempt to set obstacles to the motherland's reunification with "one country, two governments" and "elastic diplomacy." This will get them nowhere.

The reunification of the two sides of the strait will be beneficial to both, and division will be harmful to both. Peacefully reunifying the motherland is the common desire of the people on both sides and is also in conformity with the trend of the times. It is hoped that the Taiwan authorities will understand the current situation, discard prejudices and illusions, show sincerity, really take the standpoint in keeping with the fundamental interests of the Chinese people, stop pursuing "one country, two governments" and "elastic diplomacy," and actually make contributions to the motherland's reunification. [end abstract]

Recently, the Taiwan authorities repeatedly indicated that under certain conditions, they would be willing to carry out "government-to-government" talks with the mainland and establish "communication channels" between the two sides "on an equal and reciprocal basis." The central point of these ideas was "one country, two governments" in the matter of relations between Taiwan and the mainland. When this conception is extended to the international community, it takes the form of "one country, two seats" and "double recognition" and finds expression in the pursuit of "elastic diplomacy."

A common characteristic in the concepts of "one country, two governments," "one country, two seats," and "double recognition" is to require both sides of the strait "look squarely at" the present reality in which the "administrative jurisdiction" of one side cannot reach the other side so that they should first shelve the issue of "sovereignty" for the time being, and should "jointly share the sovereign power and separately exercise the administrative power." The advocates of these concepts held that Taiwan should enjoy full and independent defense and diplomatic powers, and achieve the status of a full political entity in the international community.

Obviously, according to this idea, state sovereignty will be divided into two parts, and the so-called "one country" will become "two countries" or "one China, one Taiwan." The Taiwan authorities kept on saying that they adhered to the principle of "one China," but this was merely empty talk to hoodwink the public. Their actual practice in fact completely went against the principle of "one China."

As known to all, sovereignty is the supreme power of a state for independently handling its domestic and foreign affairs. It is the fundamental attribute of the state and is the demonstration of the state's integrity and dignity. So sovereignty is not anything abstract, insubstantial, or superficial, and it must not be divided up. In the international community, only a legal central government can possess sovereignty, and the local governments in various provinces, autonomous regions, municipalities, and special administrative regions, have no sovereignty toward the outside world.

The Taiwan authorities disregard the world-acknowledged fact that the PRC Government is the sole legal government that represents the Chinese people, and announced that Taiwan is a state with independent sovereignty. They openly put forward the concept of "one country, two governments" and pursued "elastic diplomacy" in the international community. Obviously, this is illegal and invalid. Their purpose was to make use of the increasing relaxation of relations between the two sides of the strait to create "two China's" or "one China, one Taiwan" and to set obstacles to the motherland's reunification. This showed that the Taiwan authorities had no sincerity for the improvement of Taiwan-mainland relations and for the country's reunification. Hong Kong's CHENG PAO pointed out in an editorial that the new policy put forward by the Taiwan authorities appeared to be "more moderate" than the previous policy, it in fact "retrogressed" on the issue of "one China," "accepted the concept of 'one China, one Taiwan,'" and "indefinitely postponed the issue of reunification." This was obviously unacceptable to the Chinese Government.

As a matter of fact, the conception of "one country, two governments" put forward by the Taiwan authorities was not anything fresh or original. More than one year ago, some senior officials in the Taiwan authorities revealed this program. After the program encountered strong opposition inside and outside the island, the Taiwan authorities pretended to be serious and denounced this as a "rumor" and they also announced that "one country, two governments" and "double recognition" were not the policy pursued by the Taiwan authorities. However, they had never stopped pursuing this policy model in the international community. Now, they made clear the policy that they concealed in the past mainly because they tried to achieve the following purposes:

First, they tried to further legalize and perpetuate the existing state of division between the two sides of the

strait. The Taiwan authorities tried to take the recognition of the PRC Government as a bait to entice us to give up the principled position that the PRC Government is China's sole legal government and to recognize the Taiwan authorities as an existing government on the other side of the strait, thus turning the existence of two equal and parallel governments on the two sides of the strait into a fait accompli accepted by the international committee.

Second, they tried to break through their current isolated position in the international community and internationalize the Taiwan issue. Since the Taiwan authorities pursued "elastic diplomacy," although they spent tremendous financial and material resources, no substantial progress has been made. Therefore, the Taiwan authorities tried to change their tactics and stage another comeback. The top authorities in Taiwan recently announced that "it is now the time that the world has to solve the issue of China." This indicated that they tried to turn the Taiwan issue into an international issue.

Third, they tried to mitigate the strong resentment among the people inside and outside Taiwan against their inflexible mainland policy. Since the Taiwan authorities were forced to relax their mainland policy, the pace of relaxation has always lagged far behind the requirements of the public. The "three-nos" policy pursued by the Taiwan authorities was intensively criticized by public opinion for a long time. In particular, early this year, a new round of mainland fever emerged in Taiwan and had major impact on the mainland policy of the Taiwan authorities. Under these circumstances, the Taiwan authorities could not but change their tactics by assuming an "open-minded" attitude toward relations between Taiwan and the mainland and putting forward some prerequisites unacceptable to the mainland in order to mitigate internal and external pressure and throwing the hot potato to the mainland side.

Fourth, they tried to use an open mainland policy as a bait to entice us to make compromise and concession toward their pursuit of "elastic diplomacy" in the international community. The Taiwan authorities incorrectly evaluated the situation and thought that as we now encountered the external pressure and the internal difficulties, we would turn to Taiwan for seeking economic assistance. So the Taiwan authorities tried to use their mainland policy as a trump card to spread the so-called "Taiwan experience" to the mainland and to entice and force us to make compromise and concession on such principled issues as Taiwan's "elastic diplomacy."

Of course, the attempt of the Taiwan authorities will not succeed.

First, the exchanges between the two sides are in keeping with the interests and wishes of the broad masses of people on both sides, and no people can obstruct the development of this tendency.

At present, relaxation is the main tendency in the international situation, and the tendency of regional economic integration is also getting momentum while protectionism in international trade is in the ascendant. Under these circumstances, all countries and regions attach great importance to regional economic cooperation. The mainland and Taiwan belong to the same nation, and they have natural advantages in both geographical and human conditions for developing economic cooperation. Therefore, unity will be beneficial to both sides, and division will be harmful to both sides. In particular, Taiwan's economy now mainly relies on export trade and industry in Taiwan is undergoing a structural change. The community there is facing a series of social and economic problems, such as the worsening of law and order, the excessive accumulation of idle funds, and the investment slackness. The broad market and low-cost labor force on the mainland will obviously provide an ideal condition for Taiwan entrepreneurs to further develop their undertakings.

Some people in the Taiwan authorities said that if Taiwan businessmen made investment on the mainland and do business with the mainland, they would "strengthen the muscles and bones of the CPC." So they proposed that opening trade between Taiwan and the mainland be taken as a card for forcing the mainland to make compromise and concession on such principled issues as "elastic diplomacy." Their idea was not sensible nor realistic.

In fact, Taiwan gains more benefit than the mainland does from the economic exchanges between the two sides. In 1989, Taiwan enjoyed a surplus of \$2.5 billion in its trade with the mainland. Therefore, if the Taiwan authorities tighten their mainland policy, the Taiwan compatriots will suffer the greatest losses.

Second, although the Western countries have not completely lifted their "sanctions" against our country, thanks to China's weight in the world and independent and peace-oriented foreign policy, China has been continuously strengthening and expanding friendly and cooperative relations with most countries in the world, especially the Third World countries. For example, the five Latin American countries extended an extremely warm welcome to President Yang Shangkun during his recent visit, and the visit achieved fruitful results. Therefore, if the Taiwan authorities tried to free themselves from the isolated and difficult position in the international community through blatantly pursuing "elastic diplomacy" when the Western countries impose "sanctions" against us, they would never succeed.

Third, as compared with Taiwan's disorderly political situation and social unrest, at present, the mainland is enjoying political and social stability, and the people there are living happily and working satisfactorily. In the economic field, the government's policy for improving the economic environment and rectifying the economic order has achieved marked results; inflation has been basically curbed; and some new problems, such as the

decline in the production growth speed and the market slackness appearing in the course of economic readjustment and rectification have been effectively solved. Now, the economy on the mainland is showing an upward tendency, and is steadily increasing. If the Taiwan authorities hope that turmoil will appear on the mainland and will create an opportunity for the landing of the "Taiwan experience," thus promoting peaceful evolution on the mainland, their attempt will just be futile.

Some people think that because social systems on the two sides of the strait are completely different and there remains a wide economic gap, it is now still not a suitable time for talking about reunification. This is obviously a one-sided viewpoint. Admittedly, political and economic differences exist between the two sides, and this is an objective fact in reality. However, is it true that the two sides cannot realize their reunification because of these differences? No, of course not. As known to all, there are differences in the political and economic systems between the mainland and Hong Kong, Macao, but this did not prevent the Chinese Government from successfully settling the questions of Hong Kong and Macao according to the formula of "one country, two systems." In fact, we gave full consideration to the objective reality of the differences in the social system and in the economy on the two sides of the strait and the principle that China must be reunified, when we put forward the conception of "one country, two systems" for the motherland's peaceful reunification. According to the conception of "one country, two systems," after the motherland is reunified, Taiwan, as a special administrative region of China, will enjoy more self-government powers than Hong Kong. Although Taiwan will not be able to represent China on international occasions, Taiwan will continue to maintain its existing social system, economic structure, and life style, will maintain its own armed forces and people-to-people trade and cultural ties with foreign countries, and will have independent judicial power. After the reunification of the two sides of the strait, the mainland side will not dispatch any personnel to Taiwan, but Taiwan can send its officials to the central government. Facts show that the formula of "one country, two systems" is the most realistic and most feasible one for realizing the motherland's reunification. It is not only in keeping with China's historical and current conditions, but is also in line with the common wishes and interests of the entire Chinese people. We hope that the Taiwan authorities will discard all prejudices and illusions, show sincerity, really take the standpoint in keeping with the fundamental interests of the Chinese nation not only in word but also in deed, stop pursuing "one country, two governments" and "elastic diplomacy," and actually do something that contributes to the motherland's reunification and that can stand the tests of history.

**Reestablishment of Fuzhou Military Region Denied**  
HK1506043990 Hong Kong MING PAO in Chinese  
15 Jun 90 p 3

["Special dispatch": "Beijing Solemnly Denies the Rumor of the Reestablishment of the Fuzhou Military Region"]

[Text] A senior official of the Chinese State Council has solemnly denied the rumor of the planned reestablishment of the Fuzhou Military Region.

It has been learned that an official of the Chinese State Council, in the capacity of spokesman, said on the afternoon of 13 June, while speaking with lawyer Chiu Chang, a senior member of staff of the Taiwan Lawyers Office, who made a long-distance call to the official to try to confirm the news report: The news report came from Japan, and an examination by the State Council has proved that there is absolutely no such a matter. He also solemnly denied the report. Lawyer Chiu Chang pointed out that the official made the statement in an "official" capacity.

The official also said in the long-distance call: "Even Ma Ying-chiu said that investigation revealed no evidence."

Referring to the prohibition against the performance of Taiwan artists, the official said: Only a few Taiwan artists, including Chi Chin, are selectively prohibited from giving performances, and not all Taiwan artists are refused permission to perform on the mainland. Lawyer Chiu Chang pointed out: So far as she knows, in the case of those Taiwan artists who have been "banned" by the CPC from giving performances, it is probably related to their attitude toward last year's prodemocracy movement on the mainland. In doing so, the CPC simply wants to "give them a talking-to." Probably the too-long hair of Chi Chin is another reason he was "banned."

It has been learned that the news report about the CPC's planned reestablishment of the Fuzhou Military Region has had a tremendous impact on Taiwan businessmen. Some legal firms and intermediate companies in Taipei which are well-known for their business between the two sides of the strait have become much duller immediately. A staff member of an intermediate company said: Amid the investment craze inaugurated by Wang Yong-ching on the mainland, it seems "Taiwan businessmen have been terribly frightened by the rumor."

The Japanese paper ASAHI SHIMBUN carried a news report from Beijing on 9 June, pointing out that the CPC had decided to restore the Fuzhou Military Region, which was merged with the Nanjing Military Region five years ago, so that it will be able, when necessary, to contain by force Taiwan's current, bustling activities of joining the international community.

**Beijing 'Not Blocked Communications' With Taiwan**  
HK1406124490 Beijing ZHONGGUO XINWEN SHE  
in English 1208 GMT 14 Jun 90

["Beijing Has Not Blocked Communications With Taiwan Since June 9"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, June 14 (ZXS)—Since June 9 the Beijing International Communications Bureau has beamed television sports news via satellite to Taiwan. However, one

overseas newspaper has reported that Beijing had cut communications since June 10. An official of the Beijing International Communications Bureau today asserted that the bureau knows nothing of this matter.

The broadcasting and television centre of the Beijing International Communications Bureau beamed programmes to the three Taiwan television channels on June 9, 10, 11 and 13. Since Taiwan athletes came to Beijing to attend the Asian youth track and field meeting, these programmes were mainly about the event.

The three TV stations of Taiwan chose the President International Company to cover the 11th Asian Games for Taiwan. An official of this company, Liu Zhijun, said that his company has no information regarding a cessation of communications. On the contrary, China Central TV and the Beijing International Communications Bureau have both said that they will do their best to beam programs to Taiwan. Liu said that the Taiwan company is sending coverage of the Asian track and field meeting four times a day starting today. At the close of the event the company will still continue to supply other news to Taiwan.



### Hau Says Independence Would Bring 'Disaster'

OW1306020190 Taipei CNA in English 1616 GMT  
12 Jun 90

[Text] Taipei, June 12 (CNA)—Premier Hau Pei-tsun asserted Tuesday that Taiwan independence would eventually bring "general disaster" to the 20 million people on Taiwan.

Replying to lawmakers' questions at the Legislative Yuan, the new premier urged all of the people on Taiwan to identify themselves with the Republic of China [ROC] irrespective of their political party affiliations or native places.

If a national crisis were to happen, it would be over different senses of national identity, Hau said.

Opposition legislator Yeh Chu-lan directed her queries specifically to the question of Taiwan independence, demanding that Premier Hau make clear his views on the subject.

Hau said an absolute majority of the people here opposed an independent Taiwan because they are aware that Taiwan independence would be "a dead end" from historical, cultural or international relations point of view.

Hau said the Chinese communist regime had just reiterated that they would not give up their attempts to take Taiwan by force if Taiwan were to declare itself an independent state.

With every compatriot here now leading a prosperous life, Taiwan's security must take precedence over everything else, so "anti-Taiwan independence" is in the interest of a majority of the people here, Hau said.

He called on those who advocate Taiwan independence to "change their minds" for the sake of the interests of Taiwan residents.

He stressed that Taiwan's future could never be separated from that of the Republic of China.

The premier, a former four-star general, claimed that the ROC Government would not accept a policy of "one country with two governments," a policy which was initiated by the Chinese Communists.

Hau said that after former U.S. President Richard Nixon signed the Shanghai Communiqué with the Peking regime, it was the Chinese communist regime which allowed the U.S. to set up an official representative office in Peking when the U.S. still maintained its embassy in Taipei, he pointed out.

Therefore, he said, it was the Chinese communist regime which initiated the idea of "one country, two governments."

He said the ROC's mainland policy aimed at unifying China in a democratic and peaceful way.

### Official Rebuffs PRC Unification Proposal

OW1306020700 Taipei CNA in English 1553 GMT  
12 Jun 90

[Text] Taipei, June 12 (CNA)—Chu Chi-ying, director of the Cultural Affairs Department of the ruling Kuomintang Central Committee, Tuesday rebuffed Chinese Communist Party [CCP] chief Chiang Tze-min's [Jiang Zemin] recent comments on the reunification of China as insincere and inappropriate.

In a speech Monday to the CCP's United Front Organisation, Chiang called for negotiations between the Communist Party and the Kuomintang.

Commenting on Chiang's speech at a press conference, Chu said that it would be "absolutely inappropriate" for the Kuomintang or any other political party on Taiwan, the Republic of China, to hold negotiations with the Chinese Communist Party on questions concerning the future of the whole nation and the welfare of all people.

Chu said Chiang's comments "were nothing new, and lacked sincerity."

He said the position of the ruling Kuomintang was clearly articulated in President Li Teng-hui's May 20 inaugural address, in which Li said that in order to improve relations between the two sides of the Taiwan Straits, the Chinese communist regime must implement political democratization, economic liberalization, renounce its threat to take over Taiwan by force, and refrain from hindering the Republic of China's efforts to improve its foreign relations. Only under such conditions could the two sides of the Taiwan Straits hold equal negotiations to improve relations, Li said.

Chu said Chiang's comment indicated that the Chinese communist regime was ignorant of the one billion Chinese people's desire for freedom and democracy.

### Kuomintang Names Deputy Secretaries General

OW1406042090 Taipei CNA in English 0249 GMT  
14 Jun 90

[Text] Taipei, June 14 (CNA)—The Kuomintang [KMT] Central Standing Committee endorsed the nominations of Hsu Li-teh, chairman of the Central Committee's Financial Committee, and Cheng Hsin-hsiung, director of the Mainland Operation Department, to be Central Committee deputy secretaries general.

Hsu and Cheng, while maintaining their original posts, will replace Cheng Shui-chih and Kuan Chung.

Kuan and Cheng will be appointed respectively board chairman of the Broadcast Corporation of China and the Central Motion Pictures Corporation.

**Spokesman on Presidential Office Advisers***OW1406045090 Taipei CNA in English 0246 GMT  
14 Jun 90*

[Text] Taipei, June 14 (CNA)—The Presidential Office currently has 12 strategic advisers, seven of whom are four-star generals and five three-star generals, presidential spokesman Cheyne Chiu said Wednesday.

Chiu said all strategic advisers are appointed, rather than employed, by the president, and they do not have a fixed term of office.

Replying to a press question if the military advisers work regularly, Chiu said that the Presidential Office had not considered limiting their terms of office to that of the president—six years.

He said President Li would seek their opinions individually on military questions. The president does not meet with all of the advisers as a group, he added.

**KMT Watching PRC Restoral of Military Region***OW1206064790 Taipei CNA in English 1534 GMT  
11 Jun 90*

[Text] Taipei, June 11 (CNA)—The Republic of China's ruling Kuomintang [KMT] was closely watching developments concerning a report that the Chinese Communists planned to reinstate a military area across the Taiwan Straits, a ranking KMT official said Monday.

Cheng Hsin-hsiung, director of the KMT Mainland Operations Department, said the ruling party had been collecting information about the Peking plan to restore the Fuchow Military Area abolished five years ago and would evaluate its possible effects on relations between the two sides of the straits.

According to a Japanese ASAHI SHIMBUN dispatch from Peking last Friday, some Chinese communist leaders were preparing to reinstate the Fuchow Military Area, which was combined into the Nanking Military Area in June 1985.

Cheng said the Republic of China Government would deal with the matter very carefully because any misjudgement would endanger the security of the 20 million people on Taiwan.

In fact, the KMT official said, Peking had continuously been a military threat to Taiwan, especially after February this year when the Chinese Communists reportedly reinforced military units on the other side of the strait.

Even though the report had yet to be confirmed, Cheng said the people on Taiwan should heighten their vigilance against the Peking regime which, he said, often acted unreasonably. The communist regime was still devoted to the power of force as seen in the Tienanmen massacre on June 4, 1989, he stressed.

Cheng said that the Fuchow development might be attributed to Peking's unease about the Republic of China's recent breakthroughs in diplomatic relations and Taipei's new policy toward the mainland.

**Banks To Be Permitted To Trade on Mainland***OW1406045790 Taipei CNA in English 0251 GMT  
14 Jun 90*

[Text] Taipei, June 14 (CNA)—Banking institutions in Taiwan can deal directly with their mainland counterparts, Justice Ministry sources said Wednesday.

But government permission must be obtained first, sources at a ministry conference on proposed rule on relations between the people on Taiwan and the mainland said.

The conference was chaired by Justice Minister Lu You-wen with scholars, experts, and officials from relevant government agencies participating.

The conference resolved that mainland-produced documents could be accepted as "authentic" only after being so proved by Executive Yuan-appointed organizations.

Documents issued by civilian groups will not be automatically accepted as having force, so the settlements of legal disputes will not be affected.

Another regulation approved at Wednesday's conference was one limiting to two years the "effective time" for Mainland Chinese to inherit property on Taiwan.

Mainland Chinese visiting Taiwan who commit provable criminal acts will be deported.

The rules, initially called "temporary rule" on cross-strait relations, will not be termed "temporary," a similar meeting last week decided.

The rules will be further refined before being submitted to the Executive and Legislative Yuans for approval.

**Olympic Committee President Visits Beijing***OW1506004690 Taipei CNA in English 1548 GMT  
14 Jun 90*

[Text] Peking, June 14 (CNA)—The Chinese Taipei Olympic Committee President Chang Feng-hsu arrived here via Tokyo and was greeted at the airport by his Mainland Chinese counterpart Ho Chengliang Thursday.

Replying to reporters' questions, Chang said he expected Mainland Chinese athletes would be allowed to compete in Taiwan "this year or next."

Denying that he was carrying any government messages, the highest ranking Republic of China [ROC] sports leader to visit Peking said the Legislative Yuan would soon revise the relevant laws soon so that mainland athletes could visit Taiwan.

Chang said the problem of how the Chinese Taipei delegation would fly into Peking for this September's Asian Games had been settled.

He was referring to a ROC's Communications Ministry decision that the ROC sports team should fly via a third country before entering mainland air space.

During his stay here, he will tour Asian Games facilities, improve his understanding of preparations for the games, and meet with ranking Mainland Chinese sports officials.

### Taiwan May Use Cathay Plane for Games

HK1306020990 Hong Kong HONGKONG STANDARD  
in English 13 Jun 90 p 1

[By Stanley Leung and Lo Dic]

[Text] China may not accept Taiwan's decision to charter a Cathay Pacific plane to fly its athletes to the Asian Games in Beijing in September.

The plan, announced late last month, drew a negative reaction yesterday from the director of the Civil Aviation Administration of China, Hu Yizhou.

Details of the Via-Hong Kong charter flight were revealed by Chang Fung-hsu, president of the Chinese Taipei Olympic Committee on May 30. But he did not mention Beijing's position on the issue.

Mr Hu told a Taiwanese aviation delegation in the Chinese capital yesterday that Beijing favoured direct flights across the Taiwan Straits.

But he said direct flights from Taiwan should be treated as domestic flights.

If Taipei had any difficulty with direct flights, planes should be hired in Taiwan for charter or special flights via a third place, Mr Hu said.

"Why should we use other planes? We could resolve our question through consultation."

Mr Hu suggested that the Taiwanese flag on the aircraft would be replaced by other logos, perhaps reading "Taiwan athletes' delegation".

Any such logos should give no indication of such concepts as "two Chinas", "one China one Taiwan" or "one country two governments", he said.

Any Taiwan-registered airline wanting to run charter flights to Beijing should apply to the Chinese authorities.

He said Taiwanese athletes would benefit from flying in the island's own planes.

"Although making the first step is always difficult, after that it would be good for bringing about the three communications (mail, transport and trade)," he said.

Mr Hu's comments indicated that Taiwan did not seek Beijing's approval before announcing details of the Cathay Pacific charter flight.

It is believed the two sides are still negotiating.

A Taiwan aviation official said yesterday that Taipei aviation authorities were not in a position to decide whether to accept Beijing's offer.

He said it would be up to a special Executive Yuan task force dealing with mainland affairs.

The director-general of the Civil Aeronautics Administration of Taiwan's Ministry of Communications, Chu Yung-chuen, said: "It is for the mainland affairs task force under the Executive Yuan to decide, and civil aviation is only to follow directives from it."

He added: "To my knowledge, it is unprecedented for our planes to have flags covered for overseas flights."

A spokesman for Cathay Pacific, David Bell, said yesterday that necessary procedures for the flights were being processed.

He declined to speculate whether Mr Hu's comments indicated Beijing objected to Cathay flying Taiwanese sportsmen to Beijing.

Under the deal announced on May 30, Cathay will charge about \$1.47 million for the two-way service between Taipei and Beijing. The flight will take four-and-a-half hours one-way, including a 40-minute stop-over in Hong Kong.

The Taiwanese Olympic Committee said Cathay was selected over United Airlines for various factors including charges and the type and age of the aircraft.

### Industrial Survey Delegation Visits Beijing

OW1306015590 Beijing in Mandarin to Taiwan  
1500 GM 6 Jun 90

[From the "News" program]

[Text] A 40-member survey delegation from Taiwan's Gaoxiong [Kaohsiung] Industrial Association arrived in Beijing on 5 June. On the morning of 6 June, the members of the delegation held a discussion with members of the Federation of Industry and Commerce, the municipal Economic and Trade Commission, the Foreign Investment Service Center, the Taiwan Compatriots' Investment and Trade Consulting Service Company, and some other personages of industrial and commercial circles.

The various participating units in the municipality briefed their Taiwanese guests on Beijing's investment environment, the situation in bringing in foreign and Taiwan capital in recent years, the projects in which Taiwan compatriots are welcome to invest at the present time.



Vice Mayor Wu Yi met with the delegation during its stay in Beijing, answered its members' questions, and also extended a welcome to Taiwan compatriots to invest, do business, and tour in Beijing.

### **Firms Warned To Beware of Trade With USSR**

*OW1406031090 Taipei CNA in English 0241 GMT  
14 Jun 90*

[Text] Taipei, June 14 (CNA)—The Board of Foreign Trade (BOFT), citing frequent delayed payments by the Soviet Union to other countries, called on local trading companies Wednesday to be careful in conducting trade with that country.

The Soviet Union purchased over three billion U.S. dollars worth of American agricultural products in 1989, but many U.S. exporters had suffered great losses due to Moscow's repeated delay in payments.

The delayed payments were not accidental. The Soviet Union had reportedly also failed to pay for goods from West Germany, Japan, and South Korea, BOFT noted.

BOFT issued the warning because many local companies have been keen to explore the unfamiliar market.

Trade between Taipei and Moscow jumped 315 percent in 1989, from 34 million U.S. dollars in 1988 to 141 million U.S. dollars.

### **Taiwan To Keep Close Ties With Seoul**

*OW1406224190 Taipei CNA in English 1545 GMT  
14 Jun 90*

[Text] Taipei, June 14 (CNA)—The Republic of China [ROC] would not automatically close its embassy in the Republic of Korea even if Seoul established diplomatic ties with Peking, Foreign Minister Fredrick Chien said Thursday.

Testifying before the Legislative Yuan Foreign Affairs Committee for the first time in his capacity as foreign minister, Chien also said firmly that the ROC would not consider maintaining diplomatic relations with South Korea under the name of "Taiwan."

On relations with the Chinese mainland, the experienced diplomat pointed out that there was only one China and that one country could consistently only have one government. Therefore, he said, he would not use such a confusing term as "one country, two equal governments" to simplify a complicated reality or idea. The cold reality is that there are two political entities simultaneously claiming sovereignty over the whole of China, Chien stressed.

He continued that the government would not necessarily regard the Chinese Communists as a non-rebellious group after the termination of the "mobilization against communist rebellion period." The Chinese Communists

would not thereby gain legitimacy and the government would never consider establishing "diplomatic ties" with Peking, Chien elaborated.

He said the status of the Chinese Communists after the termination of the "mobilization period" would become clearer next May.

The minister also denied that the country was promoting "dollar diplomacy." He pointed out that assisting Third World countries economically would not only help expand the ROC's foreign relations but also provide more investment opportunities for local industrialists who were being troubled by labor shortages and mounting environmental pressures here.

### **Taipei To Pressure Tokyo on Trade Imbalance**

*OW1406224290 Taipei CNA in English 1537 GMT  
14 Jun 90*

[Text] Taipei, June 14 (CNA)—The Republic of China [ROC] will increase pressure on Japan by administrative means in the hope of pushing Tokyo to cut the serious trade imbalance between the two countries, a ranking official said Thursday.

Sheu Ko-Sheng [name as received], director-general of the Board of Foreign Trade, said the measures to be adopted included tightening inspections on Japanese goods and on corporate personnel stationed in Taiwan.

These could be only the first of several waves of similar actions, Sheu said. "Whether more will follow depends on the response of the Japanese Government."

The official declined to tell what actions Taipei might adopt next, but said the economics and finance ministries had reached a consensus on the measures.

Sheu also urged Tokyo to send higher-ranking officials to bilateral economic and trade meetings in order to more effectively deal with Taipei's huge trade deficit with Japan, some 7 billion U.S. dollars in 1989.

Citing trade consultations between the ROC and the United States as an example, he said many trade issues had been successfully resolved because Taipei and Washington had sent qualified officials to bilateral talks.

Because of the lack of diplomatic relations, economic and trade meetings between the ROC and Japan have been private ones and Tokyo has refrained from sending ranking officials to the meetings.

The official in charge of external trade also expressed his dissatisfaction with the fact that most of the proposals raised by the Chinese side during past bilateral economic and trade meetings had been ignored by the Japanese side.

Taipei would ask Japanese businessmen participating in the meetings to relay resolutions passed at the meetings

to their government in the hope of stimulating Tokyo to reduce trade barriers and open market wider to ROC products, Sheu said.

Sheu's remarks came on the eve of a meeting in Taipei between ROC and Japanese businessmen who will discuss bilateral trade issues in preparation for a large-scale formal meeting between the two country's most powerful commercial bodies in December.

Meanwhile, the Board of Foreign Trade announced that the 15th Sino-Japanese economic and trade conference would be held in Taipei in early September.

Jointly sponsored by Taipei's Association of East Asian Relations (AEAR) and Tokyo's interchange association, the conference was expected to be an important opportunity for the two sides to exchange opinions on bilateral trade issues, especially on the ROC's trade deficit with Japan.

#### **Trade Ties With East Europe To Be Expanded**

*OW1506042890 Taipei CNA in English 0243 GMT  
15 Jun 90*

[Text] Taipei, June 15 (CNA)—Efforts to expand economic and trade ties between the Republic of China [ROC] and Eastern Europe will be focused under a work plan toward Eastern Europe, trade sources said Thursday.

With the work plan, the Republic of China would purchase large amounts of East European industrial materials, provide the countries with loans, invest there, and sign bilateral economic cooperative agreements.

The Ministry of Economic Affairs hopes that the work plan, recently approved by the cabinet, will lead to the establishment of official links between the Republic of China and the countries in the region, added the sources.

In the absence of diplomatic relations with the East European countries, the ROC lifted its four-decade ban on trade with Hungary, Bulgaria, Poland, Czechoslovakia, Yugoslavia, East Germany, and Romania in July 1988.

## Hong Kong

### Further on Shanghai Mayor Zhu Rongji's Visit

#### Calls Territory 'Great Hong Kong'

HK1306030890 Hong Kong HONGKONG STANDARD  
in English 12 Jun 90 p 1

[By Tammy Tam and Cheung Lai-kuen]

[Text] Shanghai Mayor Zhu Rongji said he was happy to visit Hong Kong regardless of whether or not it was a subversive base.

Mr Zhu, here to promote the creation of a massive industrial and commercial zone at Pudong, is to hold talks with the Governor, Sir David Wilson, today.

The two met yesterday at the 30th anniversary dinner of the Federation of Hong Kong Industries.

Mr Zhu hinted that Hong Kong should not be viewed as a subversive base.

"Whatever base it is, I am willing to come to Hong Kong and I believe more than 90 per cent of Hong Kong people are patriotic," he said.

Mr Zhu's soft line on pro-democracy activities in Hong Kong was different from the remarks made last week by another senior Chinese official, Li Hou.

Mr Li said Hong Kong held that largest demonstrations marking the first anniversary of the June 4 crackdown.

Mr Zhu is the most senior Chinese official to visit the territory since the June 4 crackdown.

He stressed his visit to the territory was not for money but "seeking friendship which would lead to mutual trust".

Mr Zhu explained that Shanghai would not replace Hong Kong as an international financial centre even with the completion of Pudong.

Some economists have expressed worries that Hong Kong's status could be affected.

"In the past we described Hong Kong as a 'small Shanghai' comparing with the 'great Shanghai'," he said.

"Today the territory has become a 'great Hong Kong' while the 'great Shanghai' of old needs to catch up with Hong Kong in many fields."

The mayor pointed out that in the past 10 years, Hong Kong played an important role in China's economic reform with its contribution in Guangdong and Fujian provinces.

Mr Zhu said the two big cities could learn from each other. "Shanghai will benefit from Hong Kong's advanced experience in finance, trading and many other fields.

"And Shanghai's scientific and technological resources can play a role in the industrial readjustment and high-tech development in Hong Kong."

Mr Zhu said he was asked by Communist Party chief Jiang Zemin to take care of the Pudong project.

"Investment in Shanghai will be very secure for no one wants to see disturbances occur once more in China," he said.

He admitted that the current international environment—with economic sanctions being imposed by some countries—would not help the Pudong scheme.

But he was confident the unfavourable factors would be eased.

Meanwhile, at last night's dinner Sir David said Hong Kong's labour shortage could be eased with the limited import of workers.

He said: "If we don't have adequate labour we restrain the growth of the economy."

"When we import labour we will make sure it is not brought in at a cheap level, that the wages will be the equivalent of wages here and that it won't do anything to force down local wages."

### Outlines Plans For Developing Shanghai

OW1306061790 Beijing XINHUA in English  
1436 GMT 12 Jun 90

[Text] Hong Kong, June 12 (XINHUA)—The mayor of Shanghai, Zhu Rongji, outlined here today ambitious plans to attract overseas investment in the city's economic development and in the opening up of its Pudong area.

Zhu led an economic delegation to Hong Kong on the weekend and gave a speech today at a seminar on "The Economic development of Shanghai in the 1990s."

With the approval of the central government, the leading industrial city of China plans to make greater efforts in opening up Pudong, the area east of the Huangpu River, for the next decade.

"We aim at setting up an area of 350 square kilometers to provide a more smooth flow of merchandise and foreign exchanges, which will mainly service the processing of exports and entrepot trade. Foreign businessmen will be permitted to engage in tertiary industries like banking and retailing," he said.

"Based on my knowledge of Shanghai and its people, I can assure you that Shanghai's political situation is stable and it is safe to invest there," the mayor said.

"We afford the investors from overseas more ample opportunities and a wider scope of options. Foreign businessmen can, making use of the now available infrastructure facilities and factory buildings, invest in



starting plants, developing land-lots in Pudong, or even bring in capital funds coupled with specific construction projects," he said.

According to the city's development, overseas business people are also allowed to invest in infrastructural projects including the airport, railway links and power stations in Pudong.

Turning to the economic cooperation between Shanghai and Hong Kong, the mayor said that such cooperation will feature prominently in Shanghai's economic relations with the outside world in the 1990's

"Looking towards the future, I think it is but historically logical for Shanghai and Hong Kong to attain joint prosperity by making full use of each other's strengths, learning from each other, and profiting by supplying each other with complementary services," he said.

As China's major industrial center and center for science and technology, he said, Shanghai is strong in sophisticated technologies and in an optimal mix of complementary industries.

Stephen Cheong, chairman of the Federation of Hong Kong Industries, and representatives from local business sectors also gave their opinions at the seminar.

Cheong suggested that overseas investors should be allowed to raise funds locally. He also pointed out that the Pudong project should not be pushed too hastily and on too big a scale. The actual implementation of the project should be in stages. Resources and efforts should first be concentrated on establishing an industrial area of an appropriate size, before proceeding to the development of a full financial and tertiary industries, he said.

#### Cited on Incentives for Investors

HK1306031890 Hong Kong SOUTH CHINA  
MORNING POST (BUSINESS POST) in English  
13 Jun 90 p 1

[By Eva To]

[Text] Shanghai plans to liberalise land lease, securities dealings and banking services as part of its U.S.\$10 million bid to regain its role as China's key financial centre, says the city's mayor, Mr Zhu Rongji.

Mr Zhu told an investment seminar in Hong Kong yesterday that more foreign banks would be licensed to operate in Shanghai "very soon".

Details of expanded land lease rights for foreigners would be ready by August, he added.

Apart from four foreign banks which revived their pre-1949 branches in 1984, no foreign banks have so far been allowed to operate in the city.

Mr Zhu added that Shanghai would open its first stock exchange before the end of the year as part of a drive to

attract foreign and domestic funds to finance the city's huge redevelopment scheme.

At the centre of this scheme is the development of Pudong—a 350 sq km area east of the Huangpu river—into an industrial and financial base for the mainland.

Mr Zhu said the ultimate aim was to revitalise the entire city of Shanghai. And the city's three existing economic and technological development zones in Minhang, Hongqiao and Caohejing—where more than 700 foreign-funded companies are operating—would enjoy the same preferential treatments as Pudong.

Mr Zhu said he expected the planned stock exchange would initially trade China treasury bonds and proceed to stocks when more mainland companies were converted to a shareholding structure.

He was confident the full stock exchange would be superior to the "over-the-counter" system which has been established in Shanghai since 1984.

Mr Zhu said the plans were not only aimed at developing Shanghai. They were part of Beijing's determination to show the world that it proposed to proceed with its 10-year-old open-door policy and economic reform programme.

"This is a decision of vital strategic importance," said Mr Zhu.

It also constituted an invitation to Hong Kong to help out in what he described as a grand scheme which would benefit both the territory and the mainland.

Mr Zhu's statement is seen as the most clear out indication of how Beijing intends to pursue its open-door policy since the Beijing massacre last year.

Sir Quo-wei Lee, chairman of the Hang Seng Bank and the Stock Exchange of Hong Kong, told the seminar that Shanghai's plan was very good news for foreign investors.

Although Pudong and the old city of Shanghai are in very different stages of development, both desperately need to build or upgrade their infrastructures.

Mr Zhu said Beijing would support his city plan by pumping in \$6.5 billion over the next five years—including \$1 billion in appropriation and the rest as loans.

Shanghai's aim was to raise most of the remaining \$3.5 billion from foreign sources.

Mr Zhu conceded that Pudong was a de facto special economic zone, although it had not been officially designated as such, and would enjoy the following advantages:

—It would be a free port where foreign businessmen could conduct re-export trade and enjoy preferential tax benefits.

- It would have a stock exchange and foreign banks would be brought in.
- It would allow shares of mainland companies to be sold to generate new funding.
- It would have a highly flexible approach to the leasing of land.

Mr Zhu dismissed the suggestion that Beijing's aim was to beef up Shanghai as a financial centre at the expense of Hong Kong.

### Speaks at Symposium

*HK1506093090 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 14 Jun 90 p 5*

["Zhu Rongji Says Hong Kong Is an Important Economic and Trade Partner of Shanghai"]

[Text] Hong Kong, 12 June—At the "Symposium on Shanghai's Economic Development in the 1990's," which was held here in Hong Kong this morning, Shanghai Mayor Zhu Rongji said that in Shanghai's external economic relations in the 1990's, economic cooperation between Shanghai and Hong Kong will occupy an important position.

Zhu Rongji said that the state has decided to shift the focus of opening up and investment to Shanghai's Pudong area in the decade to come, this being an important strategic decision. This area will not only enjoy all the preferential policies enjoyed by other economic and technological development zones in China, and some of the preferential policies of special economic zones, but will also build a bonded zone in which export trade, processing industry, and entrepot trade will be developed. Moreover, Shanghai's Pudong area will also allow foreign businessmen to develop tertiary industry, including financial undertakings as well as commercial and retail undertakings. Implementing such policies of opening up to the outside world in an area of 3.5 million square kilometers will doubtlessly provide foreign investors with more opportunities and choices. Foreign entrepreneurs will be allowed to use all the existing infrastructural facilities and factory buildings in Pudong to set up their own factories, carry out large-scale land development, make investments, and build projects. Zhu Rongji said that Shanghai will adhere to the principle of adopting new measures to handle new things in the new zone, sum up its own experiences in China's decade-long reform and opening up to the outside world, design and implement a new management structure in Pudong, establish an operation mechanism commensurate with common international practice, increase work efficiency, improve work quality, and increase investment results.

Commenting on the prospects of the Shanghai-Hong Kong economic cooperation, Zhu Rongji said that in Shanghai's external economic relations in the 1990's, economic cooperation between Shanghai and Hong Kong will occupy an important position. Commenting on the Shanghai-Hong Kong economic cooperation over the past few years, Zhu Rongji said that the following

two figures are very convincing: By 1989, direct foreign investment in Shanghai had reached \$2.5 billion, of which the Hong Kong investment had reached \$0.63 billion, ranking the first among all the foreign countries and regions. In 1989, the total volume of Shanghai's import and export trade reached \$7.8 billion, of which the total volume of the Shanghai-Hong Kong import and export trade reached \$1.57 billion, also ranking the first among all the foreign countries and regions. Hong Kong is now the most important economic and trade partner of Shanghai. Looking forward to the future, Shanghai and Hong Kong should strive to develop their respective advantages, absorb each other's strong points, complement each other, benefit each other, and make concerted efforts to achieve common prosperity, this being a natural historical choice for both Shanghai and Hong Kong. Hong Kong is the largest financial, trade, and information center in the Far East, has demonstrated a wide radiation scope and a strong radiation capacity in her economic and trade cooperation with other parts of the world, and has been quick to reflect and respond to changes on the world market. Hong Kong's strong points are Shanghai's weak points while Shanghai's strong points can also benefit Hong Kong. During the period when Shanghai's economic structure is being readjusted and made more export-oriented, Hong Kong can no doubt provide a lot of useful experiences to Shanghai in this regard and can carry out cooperation with Shanghai in a lot of fields. In order to maintain stability and prosperity, develop high-tech industry, update industrial structure, Hong Kong can also benefit from Shanghai's advanced technologies and well developed industries because Shanghai is still one of China's major industrial, scientific, and technological centers.

### Attends Luncheon

*HK1506083090 Hong Kong TA KUNG PAO in Chinese 14 Jun 90 p 5*

["Zhu Rongji Briefs Bankers on Pudong Development at Luncheon Given by Li Kwok-po"]

[Text] Zhu Rongji, mayor of Shanghai, and his economic delegation were invited to a luncheon yesterday, which was given by Li Kwok-po, president of the Bank of East Asia Limited. At the luncheon he briefed other participants on Shanghai's financial policy and plans for future development.

The luncheon was given in the Hong Kong Overseas Bankers Club in the Central District of Hong Kong and was attended by 65 club members. Zhu Rongji also answered some questions raised by the participants.

Zhu Rongji said that Shanghai has adopted all kinds of measures to enliven its financial business. For example, it has opened the stock exchange market and allowed foreign banks to do business there. If these measures were not adopted, the development of Pudong would have been affected. The construction of some giant projects in Shanghai will need the support of international financial circles.

He pointed out: Foreign banks can engage in not only the business of settling accounts but also the business of giving credit. Their businesses will not be restricted in Pudong, but can be extended to the whole of Shanghai. He also revealed that Shanghai is considering evacuating some office buildings in the Bund, where there were many foreign banks before liberation, so that they can be used by banks. He said that the Bund was already called a bank street before liberation, and it is not suitable for other offices.

Some bankers were apprehensive that Shanghai's development might affect or even replace Hong Kong's position as a financial center. To this, Zhu Rongji told them not to worry about that, because there were many historical and practical factors why Hong Kong became a financial center in Southeast Asia. It cannot be easily replaced by another city.

He said that either in Shanghai or in Hong Kong he has never said that Shanghai would become a financial center. He only stressed that Shanghai's financial business should be enlivened and developed. Shanghai is no match for Hong Kong. On the contrary, the development of Shanghai will benefit Hong Kong, making Hong Kong's prosperity still more prosperous.

#### Attends Breakfast Meeting

HK1506130190 Hong Kong HSIN WAN PAO  
in Chinese 15 Jun 90 p 1

["Zhu Rongji Discusses Shanghai-Hong Kong Relations at Foreign Correspondents' Club Breakfast Meeting"]

[Text] This morning, Shanghai Mayor Zhu Rongji attended a breakfast meeting held by Hong Kong-based correspondents in Hong Kong's Foreign Correspondents' Club [FCC]. Zhu Rongji delivered a speech at the breakfast meeting. Zhu said that he has received an unexpectedly warm welcome during his stay in Hong Kong. Zhu also gave an account of the present situation in Shanghai and in the whole China to all the participants at the breakfast meeting.

Zhu stressed that Shanghai and Hong Kong are a perfect pair. Shanghai and Hong Kong can complement and benefit each other. Shanghai and Hong Kong are not opponents to each other. Zhu said that the situation in Shanghai and in the whole China is improving. He believed that so long as both sides make concerted efforts in all aspects, Shanghai and Hong Kong will certainly be able to further strengthen their bilateral cooperation.

Nearly 100 Chinese and foreign correspondents attended the breakfast meeting which started in a warm atmosphere at 8:30 this morning. At the breakfast meeting, Zhu Rongji first delivered a 20-minute speech and then answered some of the questions raised by the correspondents. Zhu praised Hong Kong's FCC as a big one compared with the one in Tokyo and the one in Rome. He said that the present Hong Kong FCC used to be in Shanghai before liberation. To have breakfast with so

many correspondents in the FCC really meant a lot to him as he is currently mayor of Shanghai.

Zhu Rongji said: "Except the protest I received from seven Hong Kong students soon after I left the plane, all I received in Hong Kong is welcome, an unexpectedly warm welcome. For this, I think that there are several reasons:"

"First, the majority of the people in Hong Kong hope to see a stable Hong Kong and a stable China. They are patriots."

"Second, they believe that China will continue to implement the policies of reform and opening up to the outside world. Shanghai is sincere in developing Pudong and in further opening herself up to the outside world. Shanghai will really implement these policies to the letter."

"Third, they have also seen a special relationship between Shanghai and Hong Kong. There is no denying the fact that there is a closely related and mutually dependent relationship between Hong Kong and Guangdong and between Hong Kong and China's southeastern coastal regions. We hope to see a continued development of such a relationship. Nevertheless, historically, Shanghai maintained close links with Hong Kong. Cooperation between Shanghai and Hong Kong can be traced back to decades ago. Shanghai once helped Hong Kong develop its industries. Since Hong Kong has now become the largest financial and trade center in Southeast Asia, Shanghai should learn from Hong Kong in this regard. This is why I have repeatedly stressed during my visit in Hong Kong: Hong Kong's strong points are Shanghai's weak points while Shanghai's strong points are what Hong Kong need. Further cooperation between Shanghai and Hong Kong can promote both Shanghai's development and Hong Kong's prosperity."

When giving an account of the situation in Shanghai and in the whole China, Zhu made the following three analyses. Zhu said: "First, the situation in Shanghai and in the whole China is stable at present. I don't want to make any attempt to deny the existence of various difficulties in China and the existence of various ideological problems among the people in China. However, I do believe that the majority of the Chinese people share such a common understanding: China needs stability. An unstable and turbulent China will certainly give rise to global turbulence and disasters. This is indeed a lesson we have learned. I think that this is also a common understanding shared by the majority of the Chinese people."

"Second, we will continue to adhere to and develop our policies of reform and opening up to the outside world. Shanghai's further opening up to the outside world and the accelerated development of Pudong have fully proven this. Therefore, in my view, China's economy is taking a favorable turn step by step. As far as Shanghai is



concerned, I think that the situation in Shanghai is fine. However, I do not want to overestimate this current fine situation."

"Third, we will further improve Shanghai's investment environment with a view to speeding up Pudong's development and Shanghai's process of opening up to the outside world. We will mainly concentrate our efforts on building infrastructural facilities. This is an issue the Shanghai people are most concerned about at present."

Zhu finally said that Shanghai will also make efforts to codify some of her existing measures aimed at improving the investment environment. He believed that detailed regulations concerning Pudong's development and Shanghai's development will be officially promulgated in August of this year.

#### Stresses Need for PRC Stability

*HK1506045690 Hong Kong Commercial Radio in English 0430 GMT 15 Jun 90*

[Text] The visiting mayor of Shanghai, Zhu Rongji says the lack of stability in China will lead to a global disaster. Mr Zhu says this is something the mainland has learned the hard way. Luisa Tam has the story:

[Begin recording] Mr Zhu admits that there are still lots of problems facing China. He says it's good to know that everybody, especially Hong Kong people, has come to realize China needs stability. He says the China Government will stick to reforms and will continue to open up to the outside world. Mr Zhu affirms that situation on the mainland at the moment.

Turning to the purpose of his trip, he urged Hong Kong to help finance Shanghai's banking industry. Mr Zhu says he is confident there are good prospects for business cooperation between the two cities. The mayor says he came to Hong Kong to seek understanding and improve friendship with the territory. And he is overwhelmed by the hospitality extended to him. [end recording]

#### Hong Kong Needs PRC Economic Reform To Succeed

*OW1306082690 Beijing XINHUA in English 0144 GMT 13 Jun 90*

[Text] Hong Kong, June 13 (XINHUA)—Stephen Cheong, chairman of the Federation of Hong Kong Industries, yesterday urged the Hong Kong people to position themselves to seize new opportunities to venture into the 21st century.

Addressing more than 1,200 guests including Governor David Wilson and Lady Wilson at the 30th anniversary dinner hosted by the federation, Cheong said that in the history of Hong Kong, there has been an endless cycle of preparation, seizing opportunities, and great success followed by problems—the problems of success.

"We are now at that stage in cycle when we need to solve problems and set new direction," he said, adding that "we need to position ourselves to seize new opportunities."

He stressed that unlike other parts of Asia, Hong Kong should be able to do this with a safety net under it.

"That safety net is China. None of our other competitors will have this vast hinterland behind them," he said.

He pointed out that Hong Kong's economy is inextricably tied up with the mainland, "so it is in our own interests that China's economic reform program succeeds."

"We can assist by speeding up the technology transfer, by investing in projects like Shanghai's Pudong Economic Zone, above all by ensuring we do nothing to jeopardise the stability and progress of China," he said.

In his speech, Governor David Wilson mentioned the close ties between Shanghai and Hong Kong, hoping that the visit by Mayor of Shanghai Zhu Rongji will "strengthen these economic links".

#### Call for Probe Over XINHUA Shooting Renewed

*HK1506015390 Hong Kong SOUTH CHINA MORNING POST in English 15 Jun 90 p 3*

[By Simon Macklin]

[Text] The Chinese Foreign Ministry yesterday repeated a demand that the Hong Kong Government thoroughly investigate the June 4 shooting at a building owned by the New China News Agency.

It was the first time the Chinese Foreign Ministry has commented on the incident, which occurred on the first anniversary of the Tiananmen Square massacre.

The call was made at a weekly press briefing hosted by the Foreign Ministry's spokeswoman, Ms Li Jinhua.

"We demand that the Hong Kong British Government make a thorough investigation into this case and ensure the property and the safety of the people there," Ms Li said.

However, she refused to answer questions as to whether China was satisfied with the response from Hong Kong officials over the matter.

The Governor, Sir David Wilson, has already promised that the incident, in which a bullet struck a window of the eleventh floor of a Happy Valley building owned by the NCNA, would be "investigated and dealt with".

The Acting Secretary for Security, Mr Ian Strachan, would not comment on the Foreign Ministry's demand.

Ms Li was also asked if China believed the shot fired at the NCNA building was more serious than the firing of bullets at embassy compounds in Beijing after the June 4

massacre, or the roughing up of foreign reporters by security agents while covering the anniversary of the incident.

"They are cases of a different nature," Ms Li said. "Not long ago and last year some foreign correspondents carried out some activities in violation of the relevant regulations in Beijing".

"Some people went further than just violating the regulations. Some of them got involved in China's domestic affairs. This, of course, we cannot allow."

The two deputy directors of the State Council's Hong Kong and Macao Affairs Office, Mr Li Hou and Mr Lu Ping, have expressed grave concern over the shooting incident.

### PRC Spokesman Assails Britain on Abode Issue

HK1506015190 Hong Kong SOUTH CHINA  
MORNING POST in English 15 Jun 90 p 1

[By John Kohut in Beijing]

[Text] China warned yesterday that it might retaliate against Britain for passing legislation that will give passports to 50,000 Hong Kong families.

"The Chinese side has, time and again, made its just and solemn demand about this question," a Chinese Foreign Ministry spokeswoman said yesterday.

"But now the British side is still pursuing its plan for changing the nationality of some Chinese citizens in Hong Kong, and the British side should be held responsible for all the consequences arising therefrom," she said.

The British Nationality (Hong Kong) Bill was passed by the House of Commons yesterday morning (Hong Kong time) but still has to go through the House of Lords.

The spokeswoman did not specify what action China might take in response. Beijing has already said it would refuse to recognise the passports.

Both the Hong Kong Government and Omelco yesterday called on China to understand the importance of the scheme to Hong Kong.

The Director of Administration, Mr Donald Tsang Yam-kuen, stressed Hong Kong would not want to take a confrontational stand with Beijing on the issue.

Some of China's concerns, such as whether the scheme might create greater uncertainty and its possible implications on the future Special Administrative Region government, were genuine, Mr Tsang said.

"We will reassure them that we'd like to stabilise Hong Kong to stem the outflow [of Hong Kong talents], he said.

On China's earlier accusation that the whole package was a British plot to retain its influence in the Hong Kong civil service after 1997, Mr Tsang said the conspiracy theory did not apply.

"Many conspiracy theories are groundless. What Hong Kong people need is a sense of security and I believe this is not a question of allegiance but a question of practical need.

"We have the biggest brain drain problem with us now and we cannot solve the short and medium-term problems just by importing foreign labour.

"Hong Kong's political stability relies on the economic prosperity which in turn relies on manpower resources. If we allow the brain drain to continue, there will be grave consequences."

Mr Tsang said it required time and patience to explain the scheme to China and win its understanding.

He said Hong Kong would not pass on to China the list of beneficiaries, including civil servants, of the British scheme.

"The Chinese side does not need this kind of information," he added.

Despite Beijing threatening to reserve the right to take steps against the scheme, it had not so far taken any retaliatory measures against Hong Kong, Mr Tsang said.

"If that happened, it would be most regrettable."

He warned that the brain drain is increasing and is likely to be higher than previously estimated.

The government has estimated up to 55,000 skilled workers, particularly in management sectors, will emigrate from Hong Kong this year.

He said it was hoped the early implementation of the nationality package will slow the exodus of skilled people.

Mrs Rosanna Tam Wong Yick-ming, convenor of Omelco's nationality task force, said, quoting Mr Tsang, that emigration figures estimated at 55,000 this year were not going to fall.

"We anticipate many Hong Kong people are planning to leave and if nothing is done, it will affect Hong Kong's economy and stability," she said.

"Omelco's biggest goal is to keep people in Hong Kong and we hope China realises this."

Mrs Tam said councillors had not considered whether they would take concrete measures to persuade China to accept the scheme.

**Editorial on U.S. Stand on SRV Refugee Issue**

HK1506020290 Hong Kong HONGKONG STANDARD  
in English 15 Jun 90 p 12

[Editorial: "America Must Get the Message"]

[Text] If the latest UNHCR [United Nations High Commissioner for Refugees] initiative cannot be described as the key to resolving the impasse over the boat people issue, it deserves at least to be hailed as a significant contribution to the mounting campaign to persuade Washington to drop its opposition to mandatory repatriation of boat people.

The UN High Commissioner for Refugees, Theovald Stoltenberg, will outline the cold realities facing the U.S. as part of a last-ditch attempt to convince President George Bush that there is no logic to his country's current stance.

The U.S. Government is confronted with a straightforward choice: Either get on the side of mandatory repatriation or face the prospect of the Association of South-east Asian Nations and Hong Kong dropping the policy of first asylum.

The pressure on the United States is growing now that the UNHCR is getting in on the act. British Foreign Office Minister Francis Maude will soon be in Washington. And he, too, will be trying to get the U.S. administration to change its mind.

There is a maxim in psychoanalysis that it is much more adaptive to face reality, no matter how harsh, than to use denial. There also is a saying in medicine that there is less pain in pulling Elastoplast off with one rip than to pull it off a hair at a time. Both Mr Maude and Mr Stoltenberg can be expected to "tell it like it is" during their separate trips to Washington. And it is hoped that they will be able to convince the Americans that it is time to grasp the nettle and drop their opposition to mandatory repatriation.

At the June 1989 Geneva conference on the boat people issue, the U.S. Deputy Secretary of State, Laurence Eagleburger, explained America's position that it was better boat people should remain in detention centres "indefinitely", rather than be sent back against their will.

We must hope that this hard-line attitude has been softened by the fresh insights and experiences of the past year.

The motives of the American hard-liners are quite various. They range from the conscientious concern of humanitarians to the shrewd calculations of political opportunists. In the background are bitter memories of the war.

Blame for the failure of past international conferences to reach an agreement on the question of forced repatriation has been put squarely at the door of Washington, whose intransigence defies logic. We have all heard the arguments that America is still suffering from a Vietnam-induced political and philosophical hangover. And there are, of course, certain nihilistic U.S. congressmen and senators, motivated by a somewhat incoherent political ideology, who are making their own less than useful contribution to the seemingly endless saga of the Vietnamese boat people.

Britain has made no secret of its anger over Washington's policy. Mr Maude has described it as "illogical". Even the respected WASHINGTON POST newspaper has called for a major shift in American policy towards Vietnam as one way of easing the refugee pressure on Hong Kong.

Vietnamese economist Nguyen Xuan Oanh recently told Hong Kong reporters he was disappointed that U.S. officials had ignored his advice and failed to set a deadline for normalisation of relations between the two countries. "We still don't know where it is."

Mr Oanh frankly admitted that "we need the U.S. to create a conducive atmosphere" for investment and co-operation. "We want to be back in the fold—in the family of nations—free to trade and to exchange our commodities and to get foreign credit."

In the meantime, the patience of even America's best friends is wearing thin. If the countries of the region are painted into a corner, their threat to drop first asylum may be put into action—and the boat people would be the losers.

Hong Kong's record on the refugee issue is far from perfect, but we have endured this crisis for more than 10 years. It would be tragic if the humanitarian policy of first asylum were dropped, but is there any choice? The Americans have the answer to that.



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